

22 November 2024

# DANMARKS NATIONALBANK

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## Terms and conditions for accounts



DANMARKS  
NATIONALBANK

DANMARKS  
NATIONALBANK  
**Terms and conditions  
for accounts**

Documentation for monetary-policy  
instruments and settlement of  
payments in DKK and EUR

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# General

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# General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank

These "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" apply to any relationship for the following types of account holders and accounts in connection with monetary policy instruments and settlement of payments in Danish kroner at Danmarks Nationalbank.

## 1. Definitions

- A "settlement account" (in Kronos2 "LOM account") is a settlement account in Danish kroner established and linked to the settlement of payments in payment systems or securities settlement systems at Danmarks Nationalbank.
- A "user profile" is a user profile as defined by Danmarks Nationalbank at any time, giving a user access to various Kronos2 functionalities as described at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).
- The "collateral list" is a statement of the collateral value of the account holder's aggregate collateral available at any time (pledged VP-registered assets, certificates of deposit held, SCP currency deposit, deposit in the pledged cash account and VP-registered assets for ).
- A "current account" is a current account in Danish kroner. The current account is split into two: a settlement account, to which incoming and outgoing payments are entered and for which the balance can be positive or 0, and a loan account, in which any intraday loans are registered and for which the balance can be negative or 0. Transfers between the two accounts take place individually and instantly. The settlement and loan accounts are jointly referred to as the current account.
- The "current account limit" is the ceiling applying at any time to a monetary policy counterparty's aggregate deposit at 4:45 pm in the current account, the pledged cash account and other accounts, which will usually be emptied at 4:45 pm. The aggregate current account limit of the monetary policy counterparties is equal to the sum of the individual current account limits.
- "Account holders" are credit institutions or branches thereof, as well as others who have established current accounts at Danmarks Nationalbank, and banks, mortgage banks and branches thereof which Danmarks Nationalbank has also granted access to the monetary policy instruments, cf. "Terms and Conditions for a Current Account at Danmarks Nationalbank".
- "Credit institutions" are institutions as defined in Directive 2006/48 of the European Parliament and of the Council (relating to the taking up and pursuit of the business of credit institutions).
- "Banks" are commercial banks, savings banks and cooperative banks authorised by the Danish Financial Supervisory Authority to conduct banking activities pursuant to the Danish Financial Business Act.

- "Monetary policy instruments" are interest-bearing deposits in current accounts, monetary policy loans and certificates of deposit.
- A "monetary policy counterparty" is an account holder that has access to use the monetary policy instruments.
- A "mortgage bank" is an institution authorised by the Danish Financial Supervisory Authority to conduct mortgage credit activities pursuant to the Danish Financial Business Act.
- A "regular custody account" is a custody account in T2S, created at VP Securities A/S in the name of the account holder, used in connection with the raising of intraday loans in Kronos2 for redemption of T2S Auto-collateralisation loans and pledged to Danmarks Nationalbank by the account holder.
- A "receiving custody account" is a custody account in T2S, created at VP Securities A/S in the name of the account holder, used in connection with the raising of T2S Auto-collateralisation loans and pledged to Danmarks Nationalbank by the account holder.
- A "transaction" is any transaction involving the current account, a settlement account, an SCP account or relating to monetary policy loans and certificates of deposit, accounts linked to cash depots and the release, placement and substitution of collateral. Transactions take place via Kronos2.
- A "T2S Auto-collateralisation loan" (loan against automatic pledging of collateral) is an intraday loan in Danish kroner provided by Danmarks Nationalbank in T2S if an account holder has insufficient funds in the Dedicated Cash Account (DCA) for settlement of trades or execution of periodic payments in T2S, for which collateral is pledged in the form of the securities purchased or securities transferred from one of the collateral providing custody accounts designated by the account holder to the account holder's receiving custody account pledged to Danmarks Nationalbank.
- "Kronos2" is Danmarks Nationalbank's real-time gross settlement (RTGS) system in Danish kroner. The terms and conditions for connection to and use of Kronos2 can be found at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).
- A "pledged cash account" (in Kronos2 an "interim account") is an account held by an account holder who participates in the Express Clearing and which is used solely as collateral for the Express Clearing.
- A "PM account" is an account held by an account holder who participates in Target2 and which is used to execute payments in euro in Target2.
- "CLS" is Continuous Linked Settlement, a clearing and settlement system for foreign exchange transactions in a number of currencies.
- "SCP" is Scandinavian Cash Pool (in Kronos2 "Regional Cash Pool, RCP"), a system for cross-border pledging of collateral between Danmarks Nationalbank, Norges Bank and Sveriges Riksbank.
- A "security officer" is a person authorised by the authorised signatories of an account holder.

- "T2S" is the trans-European platform (the T2S platform) for securities settlement; it is based on a shared technical infrastructure to which central securities depositories outsource their settlement.

## 2. Right of signature and power of attorney and authorisation of security officer

### a) Right of signature and power of attorney

When establishing an account in Danish kroner, the account holder shall document who is legally entitled to sign on behalf of the account holder ("authorised signatories").

Specimens of the signatures of the authorised signatories shall be enclosed. Changes in the authorised signatories of the account holder shall be notified in writing to Danmarks Nationalbank, Banking and Markets.

If the account holder's firm is not registered with the Danish Business Authority, the account holder shall, in a manner that is satisfactory to Danmarks Nationalbank, prove the legal validity etc. of the right of signature and power of attorney under the legislation of the home country. The account holder shall inform Danmarks Nationalbank of all changes to their legal capacity and of relevant legislative amendments affecting the circumstances included in any capacity opinion provided regarding legislation in the country in question.

The account holder shall inform Danmarks Nationalbank, Banking and Markets, in writing if persons other than the authorised signatories are to be granted power of attorney to carry out transactions, etc. on the basis of a written request ("holders of power of attorney") in connection with contingency procedures or notifications of changes concerning conditions relating to the account holder's day-to-day operations.

If the account holder has access to use the monetary policy instruments, the notification should be made on the form "Power of Attorney to a Current Account and Monetary Policy Transactions at Danmarks Nationalbank, etc.". If the account holder only holds a current account at Danmarks Nationalbank, the notification shall be given on the form "Power of Attorney to a Current Account at Danmarks Nationalbank, etc.". Power of attorney to request the withdrawal of securities from a pledged VP account is given on the form "Guidelines for Withdrawal of Assets from and Placement of Assets in a VP Account Pledged for Credit Facilities in Danish Kroner at Danmarks Nationalbank in connection with Contingency Procedures". These forms must include the names of the holders of power of attorney, as well as specimens of their signatures. The notification must be signed by the authorised signatories. Changes to the powers of attorney granted by the account holder shall be notified in writing to Danmarks Nationalbank on the forms stated.

### b) Authorisation of security officer

Kronos2 includes a number of predefined user profiles giving access to various functionalities in Kronos2, as described at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)). Some functions have certain optional settings, e.g. the "4-eyes principle". Danmarks Nationalbank may at any time make amendments to these user profiles and settings, and hence to the functionalities of Kronos2, including by adding new user profiles and settings.

The authorised signatories authorise two or more "security officers" who have access to appoint the persons (users) who can perform transactions via Kronos2, including transactions on behalf of and binding on the account holder. A security officer can only appoint users for accounts belonging to the account holder who is bound by the signatures of the authorised signatories.

User profiles govern the transactions, etc. which the individual user may perform on behalf of the account holder. The security officer assigns one or more of the predefined user profiles to the individual users appointed by that security officer or by other security officers. The security officer also determines the settings, if any, to apply to the appointed users. A user retains an assigned user profile with the amendments made by Danmarks Nationalbank to that user profile at any time.

A security officer may also delete one or more user profiles assigned to persons appointed by that security officer or by another security officer, and delete any settings applying to the appointed users.

A security officer cannot appoint him/herself as a user, but another security officer may appoint a security officer as a user.

The account holder must authorise a minimum of two security officers. Separate power of attorney forms must be used for each security officer.

A security officer's authorisation can be revoked by the account holder. The persons appointed as users by the security officer before Danmarks Nationalbank confirms receipt of a revocation are not affected by the revocation but will continue as users and will still be able to perform transactions on behalf of the account holder. If the security officer has been appointed as a user by another security officer, the security officer will remain a user.

### **Forms**

To authorise a security officer, use the form "Authorisation of Security Officer to Appoint Users in Kronos2 and Assign User Profiles, etc."

To change a security officer's contact details, use the form "Changes to Security Officer's Contact Details".

To revoke the authorisation of a security officer, use the form "Revocation of Authorisation of Security Officer to Appoint Users in Kronos2 and Assign User Profiles, etc."

### **Creating security officers**

Danmarks Nationalbank registers the authorised security officers in Kronos2. The security officers appoint the individual users via the forms available at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

Danmarks Nationalbank only checks that the individual users have been appointed by security officers authorised by the authorised signatories and that notifications from a security officer stem from that security officer's contact details. Hence, Danmarks Nationalbank does not check the



identity of the users appointed by the security officers. Any transaction performed by a user appointed by a security officer is binding on the account holder vis-à-vis Danmarks Nationalbank.

### **Annual overview of users**

For information purposes, Danmarks Nationalbank once a year sends each security officer an overview of all users appointed by that security officer and the users' rights.

### **3. Power of attorney to another participant**

A security officer authorised by the account holder may appoint one or more persons employed by another Kronos2 participant to make transactions, etc. as stated above on behalf of and binding on the account holder. Agreements on access for a security officer to appoint persons employed by another Kronos2 participant are made bilaterally between the parties involved, and any resulting transactions are without liability for Danmarks Nationalbank.

### **4. Personal data**

#### **Processing of personal data**

If an account holder effects payments on behalf of private customers via Kronos2 and informs Danmarks Nationalbank of names, addresses, account numbers or other personal data, Danmarks Nationalbank is the data controller. Danmarks Nationalbank is also the data controller regarding data about security officers and users who can perform transactions via Kronos2. Personal data means any information relating to an identified or identifiable natural person, cf. Article 4(1) of Regulation 2016/679 of the European Parliament and of the Council (the General Data Protection Regulation, GDPR). Danmarks Nationalbank processes this data as part of its exercise of official authority, and the lawfulness of the processing is based on Article 6(1)(e) of the General Data Protection Regulation. Moreover, Danmarks Nationalbank solely processes the data in accordance with these general terms and conditions and the underlying terms and conditions, cf. Section 15, with a view to performing Danmarks Nationalbank's tasks in connection with the operation of Kronos2 and the account holder's access to and use of Kronos2. Danmarks Nationalbank performs its obligations with the competence, prudence and care that can normally be expected of a central bank when performing its tasks as data processor.

Danmarks Nationalbank ensures that the persons authorised to process the personal data have undertaken a duty of confidentiality, and they are also subject to the confidentiality provisions in section 20 of the National Bank of Denmark Act.

Danmarks Nationalbank shall take the necessary technical and organisational security measures (as required by Article 32 of the GDPR) to prevent 1. accidental or unlawful destruction, loss or alteration, 2. unauthorised disclosure of or access to, or 3. other unlawful processing, including processing that is not in compliance with the GDPR, of the personal data.

## **Confidentiality**

Danmarks Nationalbank shall keep confidential all personal data and may not use or disclose such data without authorisation.

Danmarks Nationalbank shall limit access to personal data to employees for whom it is necessary to have access to personal data in order to perform Danmarks Nationalbank's tasks under these terms and conditions.

## **5. Contingency procedures**

If there is no connection to Kronos2, the account holder may in each individual case, by prior telephone agreement with Danmarks Nationalbank, Banking and Markets, perform transactions on request using special forms, cf. "Request for Transfer from a Current Account (Settlement Account) in Danish Kroner at Danmarks Nationalbank", "Request for Purchase of Certificates of Deposit", "Request for Sale of Certificates of Deposit", "Request to Raise a Monetary Policy Loan", "Request for Withdrawal of Assets from and Placement of Assets in a VP Account Pledged for Credit Facilities in Danish Kroner at Danmarks Nationalbank", "Request for Transfer from a CLS Settlement Account in Danish Kroner at Danmarks Nationalbank to CLS's Settlement Account in Danish Kroner at Danmarks Nationalbank" and "Request for Transfer from a Settlement Account in Danish Kroner at Danmarks Nationalbank".

The above forms can be submitted by email or fax. The account holder is bound by all transactions performed in accordance with a request received by Danmarks Nationalbank by email or fax.

## **6. Participation in tests and documentation of compliance with endpoint security requirements**

The account holder shall, upon request and without separate remuneration, participate in any tests arranged by Danmarks Nationalbank. Mandatory participation in tests can be of a one-off nature, such as testing the connection to a system or adaptations of a system, or of a recurring nature in connection with testing of contingency procedures, cf. Section 5.

Account holders with access to the current account via a network service provider shall submit documentation of their compliance with the network service provider's endpoint security requirements for Danmarks Nationalbank. In the event of non-compliance with these security requirements, the account holder shall submit a document which, in a manner satisfactory to Danmarks Nationalbank, describes when and in which way compliance with the security requirements will be realised.

## 7. Service windows

Danmarks Nationalbank may run service windows in systems on closing days where certain functions are not available. In addition, service windows can be scheduled on business days between 20.00 to 23.00 o'clock. However, service windows can occur extraordinarily at other times. Danmarks Nationalbank will not publish specific information about service windows unless it is deemed to be necessary in the specific situation.

## 8. Corrections

An incorrect transaction caused by Danmarks Nationalbank shall be corrected by Danmarks Nationalbank to the greatest possible extent. In this connection, Danmarks Nationalbank is entitled to reverse the transaction. Danmarks Nationalbank's obligation is limited to the re-entries and validations required in order to correct the transaction. Danmarks Nationalbank shall not be liable for any loss resulting from Danmarks Nationalbank's inability to reverse an incorrect transaction.

An incorrect transaction not caused by Danmarks Nationalbank shall not be corrected by Danmarks Nationalbank and shall be of no concern to Danmarks Nationalbank

## 9. Payment for use of Kronos2

Payment for use of Kronos2 is specified in the version of Danmarks Nationalbank's overview "Payment for Use of Kronos2 at Danmarks Nationalbank" applying at any time.

## 10. Pledging of collateral

The terms and conditions and requirements for pledging of collateral are stated in "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a Pledged Cash Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for Use of Scandinavian Cash Pool in Danish Kroner as Collateral at Danmarks Nationalbank" and "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank".

## 11. Liability

Danmarks Nationalbank is not liable for losses resulting from operational disruptions, transmission errors, transmission delays, program errors, or unauthorised access to data transmission links.

Danmarks Nationalbank is not liable for losses arising in connection with errors or misuse related to other systems used by the account holder for connection to, communication with and/or relay communication with Danmarks Nationalbank's systems.

Danmarks Nationalbank is not liable for losses arising in connection with transactions unless the loss is due to errors at Danmarks Nationalbank that can be attributed to Danmarks Nationalbank, cf. Section 8, however.

Danmarks Nationalbank is in no circumstances liable for the account holder's indirect or consequential losses.

## 12. Close-out netting

Danmarks Nationalbank may require close-out netting if an account holder defaults on its obligations, including if insolvency proceedings are initiated against the account holder, cf. Section 206 of the Danish Capital Markets Act, or if execution is levied against a claim included in the close-out netting provision. Close-out netting may be effected against any current and future obligations between Danmarks Nationalbank and the account holder comprised by "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", and the underlying terms and conditions, cf. Section 15 giving the parties the right to cash settlement or delivery of securities. In connection with close-out netting, the obligations involved are calculated in Danish kroner and settled as one net account. Close-out netting is performed when Danmarks Nationalbank notifies the account holder accordingly.

## 13. Deviations from normal practice

Danmarks Nationalbank may at any time and without notice and liability deviate from the provisions of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" and the underlying terms and conditions, cf. Section 15, where this is deemed to be necessary from a monetary and foreign exchange policy perspective.

## 14. Governing law and legal venue

Any dispute between the parties arising from "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" and the underlying terms and conditions, cf. Section 15, shall be subject to Danish law and shall be settled before the legal venue of Danmarks Nationalbank.

## 15. Other terms and conditions

"Terms and Conditions for a Current Account at Danmarks Nationalbank", "Terms and Conditions for Certificates of Deposit at Danmarks Nationalbank", "Terms and Conditions for Monetary Policy Loans at Danmarks Nationalbank", "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a Settlement Account for the Sum Clearing and Intraday Clearing in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a Pledged Cash Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a VP Settlement Account for Trading Transactions in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a CLS Settlement Account in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for Use of Scandinavian Cash Pool in Danish Kroner as Collateral at Danmarks Nationalbank", "Terms and Conditions for SCP Pledged Collateral Accounts in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank", "Payment for Use of Kronos2 at Danmarks Nationalbank" and "Banking Days of Danmarks Nationalbank" form an integral part of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

In the event of discrepancy between these general terms and conditions and the above other terms and conditions, these general terms and conditions shall apply unless the other terms and conditions state specific deviations from these general terms and conditions.

## 16. Language

These and the underlying terms and conditions, cf. Section 15, have been prepared in Danish and translated into English. In the event of discrepancy between the Danish text and the English translation, the Danish text shall apply. As a main rule, any contacts from Danmarks Nationalbank to the account holder will be in Danish.

## 17. Statement of account

Statements of account for all accounts belonging to the account holder are available in electronic format in Kronos2 and can be accessed by the account holder. The statements of account are updated to reflect any movements in the accounts and always at the end of the year.

In the event of discrepancy between the account holder's own records and Danmarks Nationalbank's statements of account, the account holder shall immediately inform Danmarks Nationalbank, Audit, thereof in writing. The statement of account shall be considered to have been approved unless contested by the account holder vis-à-vis Danmarks Nationalbank immediately after it has become available in Kronos2. In the event of delay in contesting the statement of account,

an extract of Danmarks Nationalbank's records shall decide the case. If Danmarks Nationalbank wishes to receive a confirmation of balance from the account holder, the account holder shall immediately vis-à-vis Danmarks Nationalbank, Audit, confirm the validity of the statement sent, or contest any statement which differs from the account holder's own records.

## 18. Notifications and requests

All forms are to be supplied with original signatures and sent by post or special delivery.

Notifications in general and requests in connection with contingency procedures may also be sent by fax or email.

Forms, notifications and requests sent by post or special delivery should be addressed to:

Danmarks Nationalbank  
Attn.: Kronos2  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

Notifications and requests by fax should be sent to Danmarks Nationalbank, fax no. +45 33 63 71 17.

Notifications and requests by email should be sent to [Kronosgroup@nationalbanken.dk](mailto:Kronosgroup@nationalbanken.dk).

## 19. Notifications to other central banks, etc. and use of Kronos2 data

Danmarks Nationalbank may use data regarding payments and other transactions registered by the account holders in Kronos2 for statistical, historical and research purposes and for monitoring financial stability or for other purposes when this forms part of Danmarks Nationalbank's performance of its tasks and duties.

Danmarks Nationalbank is authorised to disclose information about payments, as well as technical and organisational data about account holders at Danmarks Nationalbank or the account holders' customers, obtained as part of the operation of Kronos2, to third parties involved in the operation of Kronos2 to the extent that this is necessary for the efficient operation of Kronos2. Danmarks Nationalbank shall not be liable for the financial and commercial consequences of such disclosure.

Danmarks Nationalbank may, moreover, disclose confidential data in the cases mentioned in section 20(2) of the National Bank of Denmark Act as well as in accordance with the rules of the Danish Public Administration Act and the Danish Criminal Code.

## 20. Amendments to terms and conditions

Danmarks Nationalbank may at any time amend "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" and the underlying terms and conditions, cf. Section 15, and the amendments will take effect 14 days after notification thereof has been sent by Danmarks Nationalbank. Amendments may be made at shorter notice than 14 days if Danmarks Nationalbank deems this to be necessary or if matters beyond Danmarks Nationalbank's control make it necessary. However, the fees and prices and days and times stated in the above terms and conditions can be amended without notice.

At the request of Danmarks Nationalbank, the account holder shall immediately confirm receipt of the amended terms and conditions.

Within the framework of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" and the underlying terms and conditions, cf. Section 15, Danmarks Nationalbank may at any time lay down supplementary terms and conditions without notice.

## 21. Commencement

These general terms and conditions shall enter into force on 18 November 2024 and replace "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" of 4. May 2023.

Copenhagen, 4 November 2024

**Danmarks Nationalbank**

# Banking Days of Danmarks Nationalbank

Effective as from 18 May 2023:

Danmarks Nationalbank is open for business in Danish kroner on all days except:

- Saturdays
- Sundays
- New Year's Day
- Maundy Thursday
- Good Friday
- Easter Monday
- Ascension Day
- The day after Ascension Day
- Whit Monday
- Constitution Day (5 June)
- Christmas Eve (24 December)
- Christmas Day
- Boxing Day
- New Year's Eve (31 December)

Danmarks Nationalbank may at any time change the banking days without notice.



# Payment for Use of Kronos2 and Coverage of Danmarks Nationalbank's Costs

## 1. Payment for use of Kronos2

Payment for use of Kronos2 comprises a monthly fee to be determined so as to achieve financing by the users of both the operation and further development of Kronos2. The fee is determined by Danmarks Nationalbank for 12 months at a time and is calculated in the 1st quarter of each year with effect from 1 April. The fee is collected in advance on the first banking day of each month.

To determine the fee, Danmarks Nationalbank calculates the total costs for the year to be financed by the account holders as well as the key for distribution of costs among the account holders.

The distribution key is based mainly on the number and value of the individual account holder's transactions in the current account in the previous calendar year. The minimum fee will be kr. 300 per month.

For a detailed description of the Kronos2 pricing principles, see Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

## 2. Coverage of Kronos2 development costs

Costs for the original development of Kronos2 were covered by one-off payments from the account holders participating in Kronos2 when the system was launched. Any institution that subsequently becomes an account holder at Danmarks Nationalbank will be charged a one-off amount to cover that institution's share of the original development costs. The funds received by Danmarks Nationalbank in this way will be included in the amount collected from account holders via the monthly fees for the next year. The overall framework for determination of the amount is described at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

## 3. Amendments

Danmarks Nationalbank may at any time and without notice amend these terms and conditions, including the rules and principles for determining the price for use of Kronos2.

#### 4. Commencement

These terms and conditions shall enter into force on 29 October 2018 and replace "Fees and Prices of Danmarks Nationalbank" of 1 August 2018.

Copenhagen, 15 September 2018

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for Connection to Kronos2 at Danmarks Nationalbank

Name of institution: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

### **Connection to Kronos2**

The terms and conditions for connection to and use of Kronos2 can be found at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)). The undersigned is familiar with and at all times obliged to keep up to date with these rules.

Use of Kronos2 is the responsibility of the account holder and takes place at the latter's own risk and account. The account holder is liable for any loss arising from use and misuse in this respect.

The undersigned hereby requests connection to Kronos2.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Authorisation of Security Officer to Appoint Users in Kronos2 and Assign User Profiles, etc.

Name of account holder: \_\_\_\_\_

The account holder hereby authorises

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Tel.: \_\_\_\_\_

as a security officer with access to:

1. appoint the persons who can, in accordance with the terms and conditions laid down by Danmarks Nationalbank at any time, perform transactions via Kronos2, including transactions on behalf of and binding on the account holder, by assigning the persons in question one or more user profiles in Kronos2
2. assign one or more user profiles to persons appointed by another security officer
3. select the settings applying to the appointed users
4. delete one or more user profiles assigned to persons appointed by the security officer in question or by another security officer, and delete any settings applying to the appointed users.

The actions that the appointed security officer is authorised to perform on behalf of the account holder are described in more detail in Danmarks Nationalbank's "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

The security officer's appointment of persons and assignment and deletion of user profiles and/or settings shall take place in accordance with the terms and conditions laid down by Danmarks Nationalbank at any time.

This power of attorney shall remain in force until it is revoked in writing using the form "Revocation of Authorisation of Security Officer to Appoint Users in Kronos2 and Assign User Profiles, etc." and Danmarks Nationalbank has confirmed receipt thereof.

For the account holder:

Signatures of authorised signatories

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Revocation of Authorisation of Security Officer to Appoint Users in Kronos2 and Assign User Profiles, etc.

Name of account holder: \_\_\_\_\_

The account holder hereby revokes the authorisation granted to the security officer below to appoint users who can, in accordance with the terms and conditions laid down by Danmarks Nationalbank at any time, perform transactions via Kronos2, including transactions on behalf of the account holder, and to assign and delete user profiles and/or settings linked to persons appointed by the security officer in question or by another security officer.

Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Tel.: \_\_\_\_\_

The revocation takes effect when Danmarks Nationalbank has confirmed receipt thereof.

The persons appointed by the security officer as users are not affected by the revocation but will continue as users and will still be able to perform transactions on behalf of the account holder.

If the security officer has been appointed as a user by another security officer, the security officer will remain a user.

For the account holder:

Signatures of authorised signatories

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Changes to Security Officer's Contact Details

Name of account holder: \_\_\_\_\_

The account holder hereby notifies Danmarks Nationalbank that the contact details of the following security officer have changed:

Current contact details:

Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Tel.: \_\_\_\_\_

Future contact details:

Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Tel.: \_\_\_\_\_

This notification of changes to contact details takes effect when Danmarks Nationalbank has confirmed receipt thereof.

For the account holder:

Signatures of authorised signatories

Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

# Settlement of Payments in Danish Kroner and Monetary Policy Instruments at Danmarks Nationalbank

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# Terms and Conditions for a Current Account at Danmarks Nationalbank

## 1. Access to a current account and monetary policy instruments

### a) Access to a current account

Danmarks Nationalbank can give the following access to hold a current account:

- i. credit institutions which are subject to the supervision of the Danish Financial Supervisory Authority,
- ii. branches in Denmark of foreign credit institutions which are subject to the supervision of another EU member state, or of a country with which the EU has concluded a cooperation agreement on home country supervision,
- iii. branches in Denmark of foreign credit institutions which are subject to the supervision of the Danish Financial Supervisory Authority,
- iv. foreign credit institutions which are subject to the supervision of another EU member state, or of a country with which the EU has concluded a cooperation agreement on home country supervision, and which conduct cross-border activities in Denmark, and
- v. other entities which, in the evaluation of Danmarks Nationalbank, are of significance to the settlement of payments at Danmarks Nationalbank.

### b) Access to monetary policy instruments

Danmarks Nationalbank can give the following access to use its monetary policy instruments:

- i. banks,
- ii. branches in Denmark of foreign credit institutions which are subject to the supervision of another EU member state, or of a country with which the EU has concluded a cooperation agreement on home country supervision, and which conduct banking activities in Denmark as defined by the Danish Financial Business Act,
- iii. branches in Denmark of foreign credit institutions from countries outside the EU with which the EU has not concluded a cooperation agreement on home country supervision, and which conduct banking activities in Denmark as defined by the Danish Financial Business Act, subject to authorisation by the Danish Financial Supervisory Authority,
- iv. mortgage banks,
- v. branches in Denmark of foreign credit institutions which are subject to the supervision of another EU member state, or of a country with which the EU has concluded a cooperation agreement on home country supervision, and which conduct mortgage banking activities in

Denmark as defined in the Danish Financial Business Act, and branches in Denmark of foreign credit institutions from countries outside the EU with which the EU has not concluded a cooperation agreement on home country supervision, and which conduct mortgage banking activities in Denmark as defined by the Danish Financial Business Act, subject to authorisation by the Danish Financial Supervisory Authority.

### **c) Conditions of access**

Danmarks Nationalbank's approval of an account holder is subject to the condition that the account holder is connected to Kronos2.

Account holders without access to the monetary policy instruments can solely use their current accounts for settlement purposes and not for placement of deposits.

## **2. Establishment of a current account and access to monetary policy instruments**

The establishment of a current account and access to use the monetary policy instruments take place on the basis of a request to Danmarks Nationalbank, using the form "Request for a Current Account and Access to Monetary Policy Instruments at Danmarks Nationalbank". Credit institutions or branches thereof which solely request the establishment of a current account must use the form "Request for a Current Account at Danmarks Nationalbank". Moreover, all applicants must use the form "Request for Connection to Kronos2 at Danmarks Nationalbank".

## **3. Termination of a current account and exclusion from monetary policy instruments**

Danmarks Nationalbank is entitled at any time and without notice to terminate the current account and/or exclude the account holder from its monetary policy instruments, regardless of whether a breach has taken place, and to require the immediate repayment of any outstanding amount. If the outstanding amount is not repaid, Danmarks Nationalbank is entitled without notice to enforce its collateral rights in the collateral pledged by the account holder.

On termination of the current account and/or exclusion of the account holder from the monetary policy instruments, Danmarks Nationalbank is also entitled immediately to carry out early redemption of the account holder's certificates of deposit at the current market rate.

The account holder is entitled to terminate the current account, provided that all obligations arising from the use of the current account and participation in Kronos2 have been fulfilled.

## **4. Transactions**

Transactions of any kind in the current account take place in the name of the account holder.

The current account may be used solely for transactions in Danish kroner.

Drawings on the current account may take place only if there are sufficient funds in the account, cf. Section 7.

If there are insufficient funds for a transaction, the payment will be rejected. Rejected payments must be re-registered in Kronos2.

The account holder may submit payments with value on the date of submission and up to 14 calendar days ahead. Payments with value after the submission date will be placed in the value date queue.

The account holder can use the current account for:

- transactions between the account holder and Danmarks Nationalbank,
- transactions between the account holder and another account holder at Danmarks Nationalbank, cf. Section 5, and
- transactions between the account holder's current account and the account holder's settlement accounts at Danmarks Nationalbank, cf. Section 6.

A transaction has taken place when it is registered to the current account. However, a transaction between two or more account holders at Danmarks Nationalbank is not deemed to have taken place until it has been registered to all accounts at Danmarks Nationalbank that are affected by the transaction.

Payments to another account holder at Danmarks Nationalbank must be made by the account holder itself as a transaction between the account holder and the other account holder. If the account holder makes such payment to Danmarks Nationalbank's current account with a request for Danmarks Nationalbank to transfer the amount to the relevant account holder, Danmarks Nationalbank will return the amount to the account holder, and the account holder will be obliged to pay an amount of kr. 500.00 to Danmarks Nationalbank. The amount is debited to the account holder's current account after 4:45 pm.

## 5. Transactions between the account holder and another account holder at Danmarks Nationalbank

A transaction between the account holder and another account holder at Danmarks Nationalbank may take place only at the request of the account holder on whom the amount is drawn.

Kronos2 is open for execution of payments in Danish kroner to the current account of another account holder on all banking days, cf. "Banking Days of Danmarks Nationalbank".

Payments from the account holder's current account (settlement account) to the current account (settlement account) of another account holder can be carried out via Kronos2 from 7:00 am until 4:45 pm on the value date.

On transfers from the account holder's current account (settlement account) to a cash depot's intermediate account, the account holder's registration number must be entered as reference.

In connection with the execution of the account holder's real-time transactions, Danmarks Nationalbank is authorised to debit the amount requested by VP Securities A/S to the account holder's current account and transfer the amount to the current account (settlement account) of another account holder.

## 6. Transactions between the account holder's current account and settlement accounts at Danmarks Nationalbank

If the account holder holds settlement accounts at Danmarks Nationalbank, the current account is used for transactions to and from the settlement accounts, cf. the terms and conditions for settlement accounts at Danmarks Nationalbank in force at any time.

Transfers from the account holder's current account to the account holder's settlement accounts can be effected via Kronos2 from 5:30 pm until 4:15 pm on the value date. Transfers to the VP settlement account for Trading Transactions only before 3:55 PM, however.

Transfers from the account holder's settlement accounts to the account holder's current account or the account holder's other settlement accounts can be effected via Kronos2 from 5:30 pm (transfers from the CLS settlement account only after 7:00 am, however) until 4:15 pm on the value date., transfers from the VP settlement account only before 3:55 PM, however.

The DCA in Danish kroner may be used only on banking days from 7:30 pm until 4:20 pm.

Via Kronos2, the account holder may establish standing orders, whereby an amount is transferred to one or more of the account holder's own settlement accounts or to other account holders' DCAs in Danish kroner at Danmarks Nationalbank.

The account holder's transfers to settlement accounts, including standing orders, are executed only if there are sufficient funds.

In connection with the Sum Clearing (Sumclearingen) and Intraday Clearing (Intradagclearingen), the Express Clearing (Straksclearingen) and in connection with VP settlement, it applies that if the account holder has entered into an agreement on the use of automatic collateralisation, Danmarks Nationalbank is authorised to debit the current account with an amount calculated in accordance with "Terms and Conditions for a Settlement Account for the Sum Clearing and Intraday Clearing in Danish Kroner at Danmarks Nationalbank", Section 5, "Terms and Conditions for the Express Clearing in Danish Kroner at Danmarks Nationalbank", Section 6, and "Terms and Conditions for a VP Settlement Account for Trading Transactions in Danish Kroner at Danmarks Nationalbank", Section 7, in the situations stipulated in the sections specified. The amount will be credited to the account

holder's settlement account for use for the Sum Clearing and Intraday Clearing in Danish kroner and the account holder's settlement account for use for the Express Clearing in Danish kroner and the account holder's settlement account for use for trading transactions in Danish kroner, respectively.

## 7. Intraday loans

The account holder's maximum intraday loan is calculated on the basis of the rules set out in "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank".

Danmarks Nationalbank's settlement day begins at 5:30 pm on one banking day and ends at 4:45 pm on the following banking day.

Intraday loans are registered to the account holder's current account (loan account). The account holder is obliged to cover intraday loans within the same settlement day by 4:45 pm. If the account holder has not covered the intraday loan by 4:45 pm, Danmarks Nationalbank is authorised to transfer any positive balance in the account holder's current account (settlement account) to the account holder's current account (loan account) for full or partial reduction of the intraday loan.

If the account holder's current account (loan account) shows a balance in favour of Danmarks Nationalbank after 4:45 pm, even after the transfer of any positive balance in the account holder's current account (settlement account), in addition to immediately providing sufficient funds as stated above, the account holder is obliged to pay an amount of kr. 50,000.00 to Danmarks Nationalbank. If the account holder's current account (loan account) shows a balance in favour of Danmarks Nationalbank after 5:15 pm, the account holder is obliged to pay a further kr. 50,000.00 to Danmarks Nationalbank.

Danmarks Nationalbank may change these amounts at any time and without notice.

Moreover, Danmarks Nationalbank is entitled, without prior legal action and without notice, to enforce its collateral rights in the assets pledged by the account holder as collateral for the debt and also to repurchase the account holder's certificates of deposit, the proceeds being offset against the debit balance in the account holder's current account (loan account), thus automatically reducing the account holder's intraday loan, cf. "Terms and Conditions for Certificates of Deposit at Danmarks Nationalbank", Section 4.

In the event of repeated delays in providing sufficient funds for intraday loans, Danmarks Nationalbank reserves the right to terminate the loan facility without notice.

Between 4:45 pm and 5:15 pm (or a later time announced by Danmarks Nationalbank), all account holders must be able to register/accept the payment instruction: "Receiver Accept Funds Settlement Instruction" in Kronos2.

## 8. Interest

Banks, mortgage banks and branches thereof which have been given access to Danmarks Nationalbank's monetary policy instruments, cf. Section 1.b, are subject to interest on the balance in the current account (settlement account) and the pledged cash account at 4:45 pm. The balance accrues interest at the current account rate fixed by Danmarks Nationalbank, which may be positive, zero or negative. The interest rate is fixed on the banking days determined by Danmarks Nationalbank and published at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

Daily interest calculation is performed (following conversion of certificates of deposits, where relevant, cf. Section 10) on the basis of actual days/360 days. Interest is credited on the last banking day of each month for the period from and including the first calendar day of the relevant month until and including the last calendar day of the relevant month. If the interest rate is negative, Danmarks Nationalbank is authorised to debit the current account (settlement account) with an amount corresponding to the negative interest accrued. The debiting takes place on the date of accrual of interest, generally immediately after 5:15 pm. If the negative interest amount exceeds the balance in the current account (settlement account), the account holder is obliged to immediately pay the portion of the negative interest amount exceeding the balance to Danmarks Nationalbank. In addition, the account holder is obliged to pay an amount of kr. 50,000.00 to Danmarks Nationalbank, corresponding to the amount charged for current account overdrafts, cf. Section 7.

Danmarks Nationalbank is also entitled, without prior legal action or prior notice, to enforce its collateral rights in the assets that the account holder provides as collateral for any debt that the account holder has and may subsequently incur to Danmarks Nationalbank.

## 9. Payment for use of Kronos2

Danmarks Nationalbank is authorised to debit the monthly fee for use of Kronos2 to the current account (settlement account). The fee is debited on the first banking day of each month, generally immediately after 5:15 pm. If the fee exceeds the balance in the current account (settlement account), the account holder is obliged immediately to pay the portion of the fee exceeding the balance to Danmarks Nationalbank. The account holder is also obliged to pay an amount of kr. 50,000.00 to Danmarks Nationalbank, corresponding to the amount charged for current account overdrafts, cf. Section 7.

Danmarks Nationalbank is also entitled, without prior legal action or prior notice, to enforce its collateral rights in the assets that the account holder provides as collateral for any debt that the account holder has and may subsequently incur to Danmarks Nationalbank.

## 10. Maximum deposits

At 4:45 pm on each banking day, Danmarks Nationalbank calculates the total net balance of each monetary policy counterparty in its current account (settlement account) and other accounts to the extent that they have not been emptied at 4:45 pm. If the sum of all monetary policy counterparties' net balances exceeds the total current account limit of the monetary policy counterparties, Danmarks Nationalbank will, on behalf of each counterparty, buy certificates of deposit equivalent to the value of the proportion of the counterparty's net balance that exceeds the counterparty's individual current account limit.

The funds will be placed in certificates of deposit at a price fixed by Danmarks Nationalbank. The number of certificates of deposit purchased on behalf of each account holder is rounded up to the nearest whole number.

## 11. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 12. Commencement

These terms and conditions shall enter into force on 18 November 2024 and replace "Terms and Conditions for a Current Account in Danish Kroner at Danmarks Nationalbank" of 4 May 2024.

Copenhagen, 4 November 2024

**Danmarks Nationalbank**



Danmarks Nationalbank.  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for a Current Account at Danmarks Nationalbank

The undersigned hereby requests the establishment of a current account at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a Current Account at Danmarks Nationalbank" and "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank".

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories, (ii) specimens of the signatures of the authorised signatories and (iii) copy of the authorisation from the Danish Financial Supervisory Authority to operate as a credit institution.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Power of Attorney to a Current Account at Danmarks Nationalbank, etc.

Name of account holder: \_\_\_\_\_

Current account number:

Settlement account: \_\_\_\_\_

Loan account: \_\_\_\_\_

The following shall be granted power of attorney, after due request submitted in accordance with the terms and conditions laid down by Danmarks Nationalbank, to carry out any transaction to the above current account (the settlement account as well as the loan account) and to submit notifications of changes concerning conditions relating to the account holder's day-to-day operations.

Any two of the persons listed under item **1** may sign jointly, or any of the persons listed under item 1 may sign jointly with one of the persons listed under item **2**.

### **1**

Names of holders of power of attorney:

Specimen signatures:

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(continued on reverse)

2

Names of holders of power of attorney (continued):    Specimen signatures (continued):

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|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

This power of attorney shall cancel all previous powers of attorney granted concerning the above transactions and shall apply until receipt of its written revocation has been confirmed by Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for a Current Account and Access to Monetary Policy Instruments at Danmarks Nationalbank

The undersigned hereby requests the establishment of a current account and access to monetary policy instruments at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", "Terms and Conditions for a Current Account at Danmarks Nationalbank", "Terms and Conditions for Certificates of Deposit at Danmarks Nationalbank", "Terms and Conditions for Monetary Policy Loans at Danmarks Nationalbank" and "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank".

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories, (ii) specimens of the signatures of the authorised signatories and (iii) copy of the authorisation from the Danish Financial Supervisory Authority to operate as a credit institution.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Power of Attorney to a Current Account and Monetary Policy Transactions at Danmarks Nationalbank, etc.

Name of account holder: \_\_\_\_\_

Current account number:

Settlement account: \_\_\_\_\_

Loan account: \_\_\_\_\_

The following shall be granted power of attorney, after due request submitted in accordance with the terms and conditions laid down by Danmarks Nationalbank, to carry out any transaction to the above current account (the settlement account as well as the loan account) and in respect of monetary policy instruments and to submit notifications of changes concerning conditions relating to the account holder's day-to-day operations.

Any two of the persons listed under item **1** may sign jointly, or any of the persons listed under item 1 may sign jointly with one of the persons listed under item **2**.

### **1**

Names of holders of power of attorney:

Specimen signatures:

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(continued on reverse)

2

Names of holders of power of attorney (continued):    Specimen signatures (continued):

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

This power of attorney shall cancel all previous powers of attorney granted concerning the above transactions and shall apply until receipt of its written revocation has been confirmed by Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

# Terms and Conditions for Certificates of Deposit at Danmarks Nationalbank

## 1. Sale of certificates of deposit by Danmarks Nationalbank

On the last banking day of each week, Danmarks Nationalbank normally offers sale of a series of certificates of deposit maturing on the last banking day of the following week, i.e. usually 7 days later. Each series is designated by a year and week number referring to the date of maturity.

The denomination is kr. 1 million.

As a general rule, Danmarks Nationalbank only sells certificates of deposit in a series on the opening day of the series, but the series can be reopened, should Danmarks Nationalbank deem it necessary.

Sale of certificates of deposit and subsequent trading of certificates of deposit are registered solely to the account holder's certificate-of-deposit account at Danmarks Nationalbank.

Apart from the statement of account mentioned in Section 16 of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", available electronically in Kronos2, no documentation of the deposit is issued.

## 2. Danmarks Nationalbank's buy-back of certificates of deposit and transaction of swaps in certificates of deposit

Danmarks Nationalbank grants access to buy-back of certificates of deposit when deemed necessary by Danmarks Nationalbank.

Swaps in certificates of deposit (i.e. a simultaneous spot and forward contract in certificates of deposit) can be transacted when deemed necessary by Danmarks Nationalbank.

## 3. Settlement

Danmarks Nationalbank's sale or buy-back is settled immediately after the trade has been transacted. Settlement of the forward leg of a certificate-of-deposit swap takes place at 7:00 am on the agreed settlement day.

On the due date, the certificates of deposit are redeemed by crediting the nominal value to the relevant account holders' current accounts (settlement accounts) before 7:00 am. Danmarks Nationalbank may redeem the certificates of deposit prematurely at the daily market rate without serving separate notice of termination.

Between 10:00 am and 4:45 pm on the day in question, the account holder may, via Kronos2, request purchase from or resale to Danmarks Nationalbank.

**a) Inter-trade subject to ordinary settlement**

Certificates of deposit may be traded between the account holders for settlement on the trading day and simultaneous transfer of payment to the account holders' current accounts (settlement accounts). This requires reporting between 7:00 am and 4:45 pm on the same day by both the seller and the buyer, either via Kronos2 or, only in case of a contingency procedure, by using the forms "Request for Purchase of Certificates of Deposit" and "Request for Sale of Certificates of Deposit". The request must bear binding signatures. The request must be received by Danmarks Nationalbank within the period stated above. If reporting of a trade is not matched by an equivalent report from the counterparty, the report will lapse.

Via Kronos2 each account holder can receive details of non-matched trades. Trading of certificates of deposit at prices below the minimum price fixed by Danmarks Nationalbank at any time, currently kr. 99 per 100, will not be carried out. The minimum price below which trades will not be carried out is set by Danmarks Nationalbank with due regard for the current level of interest rates.

**b) Inter-trade for later settlement**

In accordance with the above guidelines, account holders may furthermore report inter-trade of certificates of deposit for later settlement (up to 5 banking days). Later settlement means all banking days in the period from the banking day after the report until the banking day before maturity.

Reporting of a trade for later settlement will lapse if it is not matched by an equivalent report from the counterparty on the same day. Via Kronos2 each account holder can receive details of non-matched trades for later settlement. Settlement of trades for later settlement takes place at 7:00 am on the reported settlement day. If the account holder's portfolio of certificates of deposit is insufficient at this time to execute the sales order, settlement is postponed until the portfolio matches the order, but only until 4:45 pm on the settlement day at the latest. If the portfolio is insufficient to cover an order, the order will not be executed. Orders that have not been executed by 4:45 pm on the settlement day will lapse.

**c) Queued trades**

Via Kronos2 the account holder may request sale of certificates of deposit to Danmarks Nationalbank or another account holder with same-day settlement, even though the sales order exceeds the account holder's portfolio of certificates of deposit at the time the order is entered into Kronos2. If the portfolio is insufficient to execute the sales order at the time the order is entered, settlement is postponed until the portfolio matches the order, but only until 4:45 pm on the same day at the latest. If the portfolio is insufficient to cover an order, the order will not be executed. Orders that have not been executed by 4:45 pm on the same day will lapse.

Sales orders awaiting settlement as a result of an insufficient portfolio will be executed in the sequence in which the orders are registered in Kronos2. The account holder can change the sequence of the execution of sales orders by using the Kronos2 prioritisation function.



#### **d) General**

In connection with the settlement of each trade, Danmarks Nationalbank will check that the seller's certificate-of-deposit account holds certificates of deposit for the trade to be carried out. Danmarks Nationalbank will also check that, if the trade is carried out, any negative balance in the buyer's current account (loan account) is lower than the access to intraday loans for the current account (loan account), cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15. If these conditions are not fulfilled, the settlement of the trade will lapse; however, see item c above as regards the seller's certificate-of-deposit account.

On the Kronos2 order and transaction screen, account holders can follow their trades from they are entered into Kronos2 until settlement has been completed.

The account holder cannot cancel a purchase or sales order once it has been matched.

#### **Contingency procedure**

As a contingency procedure, the account holder may request purchase from and resale to Danmarks Nationalbank of certificates of deposit by using the forms "Request for Purchase of Certificates of Deposit" and "Request for Sale of Certificates of Deposit". The request must bear binding signatures. The request must be received by Danmarks Nationalbank within the period stated above.

Danmarks Nationalbank may require that a request by fax or email be confirmed by a notification sent by post or by special delivery.

A correctly prepared request will be carried out as soon as possible after receipt.

#### **4. Danmarks Nationalbank's collateral rights in the account holder's certificates of deposit**

Danmarks Nationalbank's sale, buy-back or redemption of certificates of deposit and the account holder's purchase and sale of certificates of deposit from/to another account holder are settled via the current account (settlement account).

If Danmarks Nationalbank's buy-back/redemption or the account holder's sale of certificates of deposit entails that the collateral value of other collateral pledged by the account holder for intraday loans and the credit line for the Express Clearing, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15, is insufficient to cover both the account holder's intraday loan and the outstanding credit line for the Express Clearing, the portion of the proceeds from the buy-back/redemption or sale of the certificates of deposit that is equivalent to the difference between the account holder's intraday loan plus the outstanding credit line for the Express Clearing and the collateral value of other collateral pledged by the account holder is settled as follows:

An amount equivalent to the account holder's outstanding intraday loan is settled via the account holder's current account (loan account). The proceeds are thus used to set off the debit balance of the account holder's current account (loan account) at any time, thereby automatically reducing the account holder's intraday loan, if any. To the extent that there is an outstanding credit line for the Express Clearing, any remaining portion of the difference is transferred to the account holder's pledged cash account.

## 5. Negotiability

Certificates of deposit are sold only to the institutions set out in Section 1.b of "Terms and Conditions for a Current Account in Danish Kroner at Danmarks Nationalbank" and may be traded only among such institutions and with Danmarks Nationalbank.

## 6. Pledge as collateral, execution, etc.

The certificates of deposit may not be pledged as collateral. Attempts at pledging as collateral, execution, distraint, the account holder's bankruptcy or restructuring shall be deemed to be breach of contract, thereby entitling Danmarks Nationalbank to require immediate premature redemption of the certificates of deposit at the daily market price, even though the current account is not terminated and/or the account holder is not excluded from the monetary policy instruments, cf. Section 3 of "Terms and Conditions for a Current Account at Danmarks Nationalbank".

## 7. Interest

The certificates of deposit are zero-coupon paper and are redeemed at par on the due date. On resale to Danmarks Nationalbank the price is calculated on the basis of the current rate of interest on certificates of deposit, with the addition of a fixed premium determined by Danmarks Nationalbank.

## 8. Information

In the monthly forecast of the impact of central government payments on the account holders' liquidity on a daily basis, Danmarks Nationalbank will also announce planned dates for buy-back of certificates of deposit, sale of certificates of deposit and transaction of certificate-of-deposit swaps.

Should the need arise in the course of the month to announce further operations, such an announcement will be made via news agencies and be posted on Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

Announcement of opening for sale, buy-back or transaction of certificate-of-deposit swaps, the offered price and the equivalent interest calculated on the basis of actual days/360 days normally

takes place at 10:00 am on the trading day via news agencies and at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

## 9. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 10. Commencement

These terms and conditions shall enter into force on 29 October 2018 and replace "Terms and Conditions for Certificates of Deposit at Danmarks Nationalbank" of 1 August 2018.

Copenhagen, 15 September 2018

**Danmarks Nationalbank**

# Terms and Conditions for Monetary Policy Loans at Danmarks Nationalbank

## 1. Raising monetary policy loans

On the last banking day of each week, Danmarks Nationalbank normally offers a series of monetary policy loans maturing on the last banking day of the following week, i.e. usually 7 days later. Each series is designated by a year and week number referring to the date of maturity.

Between 10:00 am and 1:00 pm on the day in question, account holders may submit requests for monetary policy loans via Kronos2.

The loan will be paid out to the account holder's current account (settlement account) immediately after receipt of a correctly drawn up request via Kronos2 on condition that the required collateral is provided, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank". If sufficient collateral has not been provided on Danmarks Nationalbank's receipt of the request, neither all nor part of the loan will be paid out.

The amount borrowed is registered to the account holder's account for monetary policy loans, and the amount is simultaneously credited to the account holder's current account (settlement account).

Apart from the statement of account mentioned in Section 16 of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", available electronically in Kronos2, no documentation of the loan is issued.

### **Contingency procedure**

As a contingency procedure, the account holder may submit a request for a monetary policy loan by using the form "Request to Raise Monetary Policy Loan". The request must bear binding signatures. The request must be received by Danmarks Nationalbank within the period stated above.

Danmarks Nationalbank may require that a request by fax or email be confirmed by a notification sent by post or by special delivery.

A correctly prepared request will be carried out as soon as possible after receipt.

## 2. Redemption

Individual loans fall due for full redemption before Kronos2 opens on the last banking day of the following week, i.e. usually 7 days after the loan is raised. Redemption takes place via the current account as Danmarks Nationalbank is authorised to debit the borrowed amount, including interest accrued, to the current account (settlement account and/or loan account as regards any portion of the loan, including interest, that exceeds the balance of the settlement account).

Premature redemption is not possible, even if the institution pays interest up to and including the maturity date.

### 3. Interest

Interest accrues to the individual loans at Danmarks Nationalbank's lending rate in force at any time as fixed by Danmarks Nationalbank, cf. Section 5. Interest for the loan period concerning the individual loans is calculated when the loan is raised on the basis of actual days/360 days and is added on the day the loan matures.

### 4. Pledging of collateral

The account holder must pledge collateral for the monetary policy loans in accordance with the rules set out in "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank".

### 5. Information

Announcement of the opening of a series of short-term monetary policy loans and of Danmarks Nationalbank's lending rate normally takes place at 10:00 am on the last banking day of each week to news agencies and is posted at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

### 6. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

### 7. Commencement

These terms and conditions shall enter into force on 20 August 2018 and replace "Terms and Conditions for Monetary Policy Loans at Danmarks Nationalbank" of 1 November 2017.

Copenhagen, 1 August 2018

**Danmarks Nationalbank**

# Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank

Danmarks Nationalbank decides which assets are eligible as collateral for credit facilities in Danish kroner. Danmarks Nationalbank's decisions in terms of adjustment of the collateral basis and collateral values also apply to credit facilities already granted.

## VP-registered assets pledged to Danmarks Nationalbank

### 1. Establishment

Account holders with a current account in Danish kroner may apply for establishment of a collateral deposit at VP Securities A/S (VP Account) to be pledged for credit facilities in Danish kroner. In that case, Danmarks Nationalbank will open a VP Account with Danmarks Nationalbank as the account-holding institution and a cash account in Danish kroner at Danmarks Nationalbank (Yield Account in Danish kroner).

If an account holder applying for the establishment of a collateral deposit at VP Securities A/S to be pledged for credit facilities in Danish kroner also designates a PM Account in euro, cf. Section 3, a Yield Account in euro will also be opened at Danmarks Nationalbank (Yield Account in euro).

Collectively, the Yield Account in Danish kroner and the Yield Account in euro are referred to as Yield Accounts.

For account holders that have entered into an agreement with Danmarks Nationalbank on the use of T2S Auto-collateralisation loans, cf. "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank", two T2S custody accounts are established, a receiving custody account and a regular custody account, with Danmarks Nationalbank as the account-holding institution.

### 2. Pledging

The account holder pledges the VP and Yield Accounts to Danmarks Nationalbank by signing "Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank", which is submitted to Danmarks Nationalbank with attached LEI code documentation.

Danmarks Nationalbank registers the pledging of the VP Account and blocks the Yield Accounts.

Account holders that have entered into an agreement with Danmarks Nationalbank on the use of T2S Auto-collateralisation loans also sign "Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank in Connection with Settlement on the T2S Platform – Pledging of a Regular

Custody Account" and "Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank in Connection with Settlement on the T2S Platform – Pledging of a Receiving Custody Account", which are submitted to Danmarks Nationalbank with attached LEI code documentation.

Danmarks Nationalbank registers the pledging of the receiving custody account and the regular custody account at VP Securities A/S and blocks the Yield Accounts.

### 3. Collateral basis

Danmarks Nationalbank grants access to credit facilities in Danish kroner for account holders at Danmarks Nationalbank against the following as collateral:

- VP-registered assets in Danish kroner and euro traded at OMX NASDAQ Copenhagen:
  - securities issued by the Kingdom of Denmark, the Fisheries Bank or the Mortgage Bank of the Kingdom of Denmark
  - bonds guaranteed by the Kingdom of Denmark
  - bonds issued by KommuneKredit
  - bonds issued by the Faroese government
  - mortgage bonds (ROs), covered bonds (SDOs) and covered mortgage bonds (SDROs) issued by institutions subject to the Danish Financial Business Act and
- deposits in Yield Accounts.

It is a precondition for pledging VP-registered assets in euro as collateral that the account holder holds a PM Account in euro.

Danmarks Nationalbank reserves the right to reject certain bonds within these categories – including stock-indexed bonds and bonds with option-like elements – as eligible as collateral for credit facilities in Danish kroner at Danmarks Nationalbank.

Securities that are eligible as collateral for credit facilities in Danish kroner at Danmarks Nationalbank at any time are listed in Danmarks Nationalbank's list of eligible securities for credit facilities in Danish kroner. This list is available in Kronos2.

For all the above assets it applies that they must not have been issued or guaranteed by the account holder or by an entity with which the account holder has close links as defined in point (38) of Article 4(1) of Regulation (EU) No 575/2013. Exceptions from this rule apply to (i) ministries of finance and public authorities, (ii) close links between the account holder and public authorities in the EEA countries, (iii) bonds fully meeting the criteria in Article 52(4) of the Directive on undertakings for collective investments (Directive 2009/65, and (iv) cases where the bonds are protected by special legal safeguards corresponding to (iii).

As regards ROs, SDOs or SDROs whose maturity is shorter than the maturities of the underlying loans, bonds issued by an account holder in connection with a refinancing auction (new bonds) cannot be pledged as collateral by the issuer earlier than on the last banking day before the settlement day when the maturing bonds are redeemed. This also applies to securities acquired by the issuer with the proceeds from the sale of new bonds.

#### 4. Collateral value

##### **a) Collateral value of VP-registered assets**

The collateral value of VP-registered assets is calculated on the basis of the official (average) price on OMX NASDAQ Copenhagen on the previous stock exchange day, applying the following formula:

Collateral value = market value including coupon interest \* (1 - haircut).

If an asset has not been traded on the previous banking day, a theoretical price set by Danmarks Nationalbank is used for the calculation of the collateral value of the asset. The calculated price is available in Kronos2. The price is provided by an external supplier. The price may be imported to the account holder's own systems only subject to an agreement between the account holder and this supplier. A deduction of 5 per cent of the asset value will be made if a theoretical price is applied. Securities issued by the Kingdom of Denmark are exempt from the 5 per cent deduction.

Haircuts, etc. for the individual securities are stated in the list of eligible securities for credit facilities in Danish kroner at Danmarks Nationalbank in force at any time, cf. Section 3. This list is available in Kronos2.

The collateral value in Danish kroner of VP-registered assets in euro is calculated on the basis of the official exchange rate from Danmarks Nationalbank on the preceding day of listing, subject to a deduction of 3 per cent.

##### **b) Collateral value of balance of Yield Accounts**

The collateral value of the balance of a Yield Account in Danish kroner is equal to the current balance.

The collateral value in Danish kroner of the balance of the Yield Account in euro is calculated on the basis of the official exchange rate from Danmarks Nationalbank on the preceding day of listing.

##### **c) Collateral value of balance of a pledged cash account**

The collateral value of the balance of the pledged cash account in Danish kroner is equal to the current balance less the haircut fixed by Danmarks Nationalbank at any time. The pledged cash account and the balance of the account at any time are pledged only as collateral for the credit line for the Express Clearing submitted by Danmarks Nationalbank and are not included in the calculation of collateral for intraday loans, cf. Section 15.



#### **d) Collateral value of balance of an SCP pledged collateral account**

The collateral value of the balance of an SCP pledged collateral account is equal to the value in Danish kroner of the current balance in Norwegian kroner or Swedish kronor less the haircut fixed by Danmarks Nationalbank at any time.

### 5. Pledging of collateral

Collateral is pledged by transfer of the VP-registered assets to the pledged VP Account via Kronos2 during the period from 7:00 am to 4:45 pm in accordance with the procedure described in Section 17.

Pledging of collateral for raising intraday loans for the redemption of T2S Auto-collateralisation loans is effected by Danmarks Nationalbank's transfer of the account holder's securities held in the pledged receiving custody account to the pledged regular custody account at 4:10 pm.

### 6. Withdrawal

During the period from 7:00 am to 4:45 pm, via Kronos2, the account holder may apply to withdraw VP-registered assets from the pledged VP Account in accordance with the procedure described in Section 17. The VP-registered assets are transferred to an Account designated by the account holder registered in VP Securities A/S in the form of a VP account or an account on T2S cf. Section 17, provided that a check for adequate cover is positive, cf. Section 14. As regards withdrawal of VP-registered assets from the receiving custody account, "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank", Section 5, shall apply. The account holder cannot withdraw assets from the regular custody account.

### 7. Substitution

Substitution takes place, in accordance with the procedure described in Section 17, by transferring new VP-registered assets to the pledged VP Account and then withdrawing previously transferred assets from the pledged VP Account. As regards substitution of VP-registered assets in the receiving custody account, "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank", Section 5, shall apply. The account holder cannot substitute assets in the regular custody account.

### 8. Yields

Repayments and interest on VP-registered assets are deposited to the Yield Accounts at Danmarks Nationalbank and pledged as collateral for the participant's outstanding debt to Danmarks Nationalbank at any time, cf. "Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank", "Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank in

Connection with Settlement on the T2S Platform – Pledging of a Regular Custody Account" and "Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank in Connection with Settlement on the T2S Platform – Pledging of a Receiving Custody Account". On a daily basis Danmarks Nationalbank will transfer the balance of the Yield Account in Danish kroner to the account holder's current account (settlement account) in Danish kroner. If the account holder has a Yield Account in euro, the balance will be transferred to the account holder's PM account in euro on a daily basis. However, yields will not be transferred, either in full or in part, if one of the following becomes negative, cf. Section 15:

- the account holder's excess collateral
- total collateral value of the account holder's collateral for intraday loans less outstanding intraday loans and/or
- total collateral value of the account holder's collateral for the credit line for the Express Clearing less the outstanding credit line for the Express Clearing.

## Certificates of deposit

### 9. Guidelines for certificates of deposit

The account holder's registered portfolio of certificates of deposit is automatically included in the collateral basis in relation to intraday loans on the current account (loan account) and submission of the credit line for the Express Clearing as described in "Terms and Conditions for Certificates of Deposit at Danmarks Nationalbank", Section 4.

### 10. Collateral value of certificates of deposit

The collateral value of certificates of deposit is currently calculated as 99 per cent of the nominal value. The collateral value corresponds to the minimum price for trading in certificates of deposit set by Danmarks Nationalbank at any time.

## Other assets

### 11. Guidelines for other assets

At the request of the account holder and on the basis of a specific assessment, Danmarks Nationalbank determines which other assets may be pledged as collateral for credit facilities in Danish kroner and for the credit line for the Express Clearing and on which terms and conditions. For example, the account holder must document that the collateral has legal validity and is irrebuttable and exigible in a manner that is satisfactory to Danmarks Nationalbank.

## 12. Collateral value of other assets

The collateral value of other assets is determined by Danmarks Nationalbank on the basis of a specific assessment.

## General

### 13. Account holder's other agreements

When pledging collateral to Danmarks Nationalbank, the account holder must assess whether the pledging of collateral may entail that loan agreements concluded by the account holder fall due for premature redemption, and the consequences to the account holder in that case.

### 14. Checks for adequate cover

The account holder has access to raise monetary policy loans and loans concerning cash depots and to withdrawal of VP-registered assets and other assets if

- the calculation of the account holder's excess collateral, cf. Section 15, does not become negative, and
- none of the following become negative:
- the calculation of the total collateral value of the account holder's collateral for intraday loans less outstanding intraday loans, and
- the calculation of the total collateral value of the account holder's collateral for the credit line for the Express Clearing less the outstanding credit line for the Express Clearing.

The account holder has access to withdraw funds from the current account (loan account), provided that the amount withdrawn and the outstanding credit line for the Express Clearing do not exceed the total collateral value of collateral for intraday loans and the credit line for the Express Clearing, cf. Section 15.

### 15. Collateral list – collateral pledged by the account holder

The collateral value of the collateral pledged by the account holder at any time is stated in the account holder's collateral list. The pledged receiving custody account, used for the account holder's raising of T2S Auto-collateralisation loans directly in T2S, cf. "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank", is not included in the account holder's collateral list.

The collateral list includes:

Collateral value of VP-registered assets pledged to Danmarks Nationalbank

+ Collateral value of balances of Yield Accounts

+ Collateral value of other assets

= **Total collateral value of collateral**

- Monetary policy loans

- Maximum for loans concerning cash depots

- Other credit facilities

= **Excess collateral**

+ Collateral value of certificates of deposit

+ Collateral value of the balance of the pledged cash account (to be used only in connection with the credit line for the Express Clearing<sup>1</sup>)

+ Collateral value of currency deposits in Scandinavian Cash Pool (SCP)

+ Collateral value of VP-registered assets held in the pledgor's regular custody account pledged to Danmarks Nationalbank (to be used only for raising intraday loans for the redemption of T2S Auto-collateralisation loans<sup>2</sup>)

= **Total collateral value of collateral for intraday loans and the credit line for the Express Clearing**

Monetary policy loans and other credit facilities are included in the calculation of the remaining debt including interest accrued. In addition, Danmarks Nationalbank may include, in full or in part, calculated but not accrued interest.

Furthermore, Danmarks Nationalbank may include, in full or in part, calculated but not accrued negative interest in the current account and the pledged cash account under "other credit facilities" in the calculation of the account holder's "excess collateral", cf. above.

If the calculation of the account holder's "excess collateral" is negative, "excess collateral" is not included in the calculation of the total collateral value of collateral for intraday loans and the credit line for the Express Clearing.

The sum of the account holder's outstanding monetary policy loans, maximum for loans concerning cash depots, other credit facilities, intraday loans and outstanding credit line for the Express Clearing constitutes the account holder's **total outstanding exposure to Danmarks Nationalbank**.

## 16. Top-up collateral and substitution of assets that are no longer eligible as collateral

If "excess collateral", cf. Section 15, is calculated at a negative amount, the account holder must immediately pledge top-up collateral in securities that are eligible as collateral at Danmarks National-

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<sup>1</sup> The pledged cash account is included only in the calculation of the total collateral value of collateral for the submission of the credit line to Finance Denmark for the Express Clearing.

<sup>2</sup> The pledged regular custody account is included only in the calculation of the total collateral value of collateral for the raising of intraday loans for redemption of T2S Auto-collateralisation loans and may be used only for this purpose.

bank, with a total collateral value that, as a minimum, corresponds to the calculated negative amount. Certificates of deposit, SCP currency deposits and the the pledged cash account cannot be pledged as collateral.

If the total collateral value of the account holder's collateral for intraday loans less outstanding intraday loans and/or the total collateral value of the account holder's collateral for the credit line for the Express Clearing less the outstanding credit line for the Express Clearing is calculated at a negative amount, the account holder must immediately pledge top-up collateral in assets that are eligible as collateral for intraday loans and the credit line for the Express Clearing, respectively, with a total collateral value that, as a minimum, corresponds to the calculated negative amount.

If collateral already provided is no longer eligible as collateral for credit facilities in Danish kroner and/or submission of the credit line for the Express Clearing, the account holder must replace this collateral by other eligible collateral that is essentially of the same value.

Release of collateral already pledged cannot take place until new eligible collateral has been pledged, cf. Section 7.

## 17. Authority to Danmarks Nationalbank to transfer securities to the pledged VP account and to withdraw securities from the pledged VP account

To transfer assets to the account holder's pledged VP Account, cf. Section 5, the account holder, via Kronos2, submits an instruction to Danmarks Nationalbank to request VP Securities A/S to transfer securities eligible as collateral from an account designated by the account holder and registered at VP Securities A/S in the form of either a "VP Account" or an account in T2S, "T2S Account" – in both cases securities dealer (fondshandler) or major client (storkunde) custody account – to the pledged VP Account. Danmarks Nationalbank is then authorised to request VP Securities A/S to transfer the securities specified in the account holder's instruction and the specified nominal value from the VP Account/T2S Account designated by the account holder to the pledged VP Account.

To request withdrawal of securities from the pledged VP Account, cf. Section 6, the account holder, via Kronos2, submits an instruction to Danmarks Nationalbank to request VP Securities A/S to transfer securities from the pledged VP Account to the VP Account/T2S Account designated by the account holder.

Pledging of top-up collateral, substitution, exchange and withdrawal can be effected only via Kronos2 as stated above.

Designation of the account registered at VP Securities A/S in the form of either a VP Account or a T2S Account shall take place using the form "Designation of account at VP Securities A/S for use when pledging collateral to Danmarks Nationalbank".

Change of the account registered at VP Securities A/S in the form of either a VP Account or a T2S Account shall take place using the form "Change of account at VP Securities A/S for use when pledging collateral to Danmarks Nationalbank".

The account holder accepts that Danmarks Nationalbank passes on the above forms signed by the account holder to VP Securities A/S,

## 18. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 19. Commencement

These terms and conditions shall enter into force on 3 October 2024 and replace the "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank" of 19 March 2021.

Copenhagen, 19 September 2024

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank

Name of pledgor: \_\_\_\_\_

Address of pledgor: \_\_\_\_\_

LEI code of pledgor: \_\_\_\_\_

The pledgor is the registered holder of VP Account number \_\_\_\_\_ ("the Account") and hereby pledges the Account, as well as the securities registered to the Account at any time, to Danmarks Nationalbank as collateral for any debt owing now or in the future to Danmarks Nationalbank.

At the same time, we declare that we have and will have the right of ownership of the securities registered to the Account at any time, and that no limited rights or other rights concerning these securities have been or will be granted to any third party.

The pledge includes proceeds from early redemption of and interest on the securities registered to the Account which fall due before the date of realisation. Redeemed amounts and interest in Danish kroner are credited to our Yield Account number \_\_\_\_\_ at Danmarks Nationalbank and any redeemed amounts and interest in euro are credited to our Yield Account number \_\_\_\_\_ at Danmarks Nationalbank ("Yield Accounts"). The Yield Accounts and the balance of these accounts at any time are pledged to Danmarks Nationalbank as collateral for any debt owing now or in the future to Danmarks Nationalbank.

As the registered holder of the Account we hold power of attorney to request information concerning the Account. The power of attorney to request information does not entail any right to dispose of the pledged assets. Any transaction concerning the Account and/or securities registered thereto may be undertaken solely by Danmarks Nationalbank as the pledgee and account-holding institution.

Should Danmarks Nationalbank wish to enforce its collateral rights in the securities registered to the Account, Danmarks Nationalbank shall be entitled without prior legal action or prior notice to realise such securities in the manner determined by Danmarks Nationalbank. Furthermore, Danmarks Nationalbank shall be entitled to take over ownership of the securities so pledged.

As the account-holding institution, Danmarks Nationalbank shall notify this deed of pledge to VP Securities A/S for registration of Danmarks Nationalbank as the registered holder of rights concerning the Account and the securities registered to the Account at any time.

All matters concerning this pledge and all matters concerning this deed of pledge shall be subject to Danish law. Any disputes shall be settled before the legal venue of Danmarks Nationalbank.

This deed of pledge shall replace any previous deeds of pledge concerning credit facilities in Danish kroner.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories



Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Designation of account at VP Securities A/S for use when pledging collateral to Danmarks Nationalbank

The undersigned current account holder hereby designates the account below registered at VP Securities A/S in the form of either a "VP Account" or an account in T2S, "T2S Account", as the VP Account/T2S Account from which Danmarks Nationalbank, in accordance with "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", cf. Section 17, may request VP Securities A/S to transfer securities eligible as collateral to our VP Account pledged to Danmarks Nationalbank and to which Danmarks Nationalbank may request VP Securities A/S to transfer securities withdrawn from our pledged VP Account. The designated VP Account/T2S Account must be registered as a securities dealer or major client custody account.

Name of account holder: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

LEI code: \_\_\_\_\_

CD ident of VP Account/T2S Account:

Securities dealer ident (clearing participant ID): \_\_\_\_\_

Account-holding institution ident (securities account controller ID): \_\_\_\_\_

Designated VP Account/T2S Account (state custody account number at VP Securities A/S):

\_\_\_\_\_

At VP Securities A/S, the account (custody account) is marked as (check as appropriate):

VP Account \_\_\_\_\_

T2S Account \_\_\_\_\_

The undersigned also declares that we are and will at any time be registered as the account holder of the VP Account/T2S Account designated above. At the same time, we declare that we have and will have the right of ownership of the securities registered to the VP Account/T2S Account at any time, and that no limited rights or other rights concerning these securities have now been or will be granted to any third party.

Date: \_\_\_\_\_  
\_\_\_\_\_ Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Change of account at VP Securities A/S for use when pledging collateral to Danmarks Nationalbank

The undersigned current account holder hereby designates the account below registered at VP Securities A/S in the form of either a "VP Account" or an account in T2S, "T2S Account", as the VP Account/T2S Account from which Danmarks Nationalbank, in accordance with "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", cf. Section 17, may in future request VP Securities A/S to transfer securities eligible as collateral to our VP Account pledged to Danmarks Nationalbank and to which Danmarks Nationalbank may request VP Securities A/S to transfer securities withdrawn from our pledged VP Account.

Name of account holder: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

LEI code: \_\_\_\_\_

Currently designated VP Account/T2S Account (state custody account number at VP Securities A/S):

\_\_\_\_\_

Future designated VP Account/T2S Account (state custody account number at VP Securities A/S):

\_\_\_\_\_

CD ident of the future VP Account/T2S Account:

Securities dealer ident (clearing participant ID): \_\_\_\_\_

Account-holding institution ident (securities account controller ID): \_\_\_\_\_

At VP Securities A/S, the future designated VP Account/T2S Account is marked as (check as appropriate):

VP Account \_\_\_\_\_

T2S Account \_\_\_\_\_

The undersigned also declares that we are and will at any time be registered as the account holder of the future VP Account/T2S Account designated above. At the same time, we declare that we have and will have the right of ownership of the securities registered to the future VP Account/T2S Account at any time, and that no limited rights or other rights concerning these securities have now been or will be granted to any third party.

Date: \_\_\_\_\_  
Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Guidelines for Withdrawal of Assets from and Placement of Assets in a VP Account Pledged for Credit Facilities in Danish Kroner at Danmarks Nationalbank in connection with Contingency Procedures

VP Account number: \_\_\_\_\_

Name of account holder: \_\_\_\_\_

Danmarks Nationalbank is the account-holding institution for the above VP Account and the holder of rights to the securities registered to the above VP Account, cf. separate deed of pledge. In connection with a failure of Kronos2, withdrawal of assets from and placement of assets in the account holder's pledged VP Account can take place at the account holder's written request to Danmarks Nationalbank. After receipt of such written request, Danmarks Nationalbank is authorised to request VP Securities A/S to transfer the securities designated by the account holder from the VP Account already designated by the account holder and registered in Kronos2 to the pledged VP account or from the pledged VP account to the VP account already designated by the account holder and registered in Kronos2.

Withdrawal of the securities registered in the VP Account to the account holder is subject to a positive check for adequate cover, cf. Section 14 of "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank".

Danmarks Nationalbank decides which placement and withdrawal orders, received from all account holders, are to be executed and in which sequence.

The following are granted power of attorney to sign requests for withdrawal of securities from and placement of securities in the above VP Account.

Any two of the persons listed under item **1** may sign jointly, or any of the persons listed under item **1** may sign jointly with one of the persons listed under item **2**.

(continued on reverse)

**1**

Names of holders of power of attorney:

Specimen signatures:

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**2**

Names of holders of power of attorney:

Specimen signatures:

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A power of attorney to request information concerning the accounts shall be established for CD  
ident: \_\_\_\_\_

This power of attorney shall cancel all previous powers of attorney granted concerning the above  
transactions and shall apply until receipt of its written revocation has been confirmed by Danmarks  
Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

# Terms and Conditions for a Settlement Account for the Sum Clearing and Intraday Clearing in Danish Kroner at Danmarks Nationalbank

Terms and Conditions for a Settlement Account for the Sum Clearing and Intraday Clearing in Danish Kroner at Danmarks Nationalbank (the Settlement Account) apply to any settlement of payments at Danmarks Nationalbank in connection with the Sum Clearing and Intraday Clearing in Danish kroner (Settlement of Payments) on the terms set out in the agreement in force at any time between Finance Denmark and Danmarks Nationalbank.

## 1. Access to Settlement of Payments

Finance Denmark and Danmarks Nationalbank must approve participants in the Settlement of Payments.

A condition for approval by Danmarks Nationalbank is that the participant holds a current account and a Settlement Account at Danmarks Nationalbank.

## 2. Establishment of a Settlement Account

A Settlement Account is established after written application to Danmarks Nationalbank, using the form "Request for a Settlement Account for the Sum Clearing and Intraday Clearing in Danish Kroner at Danmarks Nationalbank".

## 3. Termination of a Settlement Account

Danmarks Nationalbank is entitled to terminate a Settlement Account at any time and without notice.

The account holder is entitled to terminate the Settlement Account, provided that all obligations arising from the use of the Settlement Account have been fulfilled and that any obligations to Danmarks Nationalbank arising from Danmarks Nationalbank's notification at any time to Finance Denmark regarding the account holder's maximum overdraft facility in the Sum Clearing and Intraday Clearing have been met.

## 4. Transactions

Transactions of any kind to the Settlement Account shall take place in the name of the account holder.

The Settlement Account may be used only for transactions in Danish kroner.

Only the following transactions may be made to the Settlement Account:

- transfers from the account holder's current account to the Settlement Account, cf. Section 5
- transfers from the Settlement Account to the account holder's current account (settlement account), respecting Danmarks Nationalbank's collateral rights in the Settlement Account, cf. Section 9
- transfers from the Settlement Account to the account holder's other settlement accounts, except for the CLS settlement account and the Dedicated Cash Account (DCA) in Danish kroner, respecting Danmarks Nationalbank's collateral rights in the Settlement Account, cf. Section 9
- transfers from the account holder's other settlement accounts, except for the CLS settlement account and the DCA in Danish kroner to the Settlement Account
- registration of the account holder's net position in the Sum Clearing in Danish kroner, cf. Section 8
- registration of the account holder's net position in the Intraday Clearing in Danish kroner, cf. Section 8, and
- emptying of the Settlement Account, cf. Section 10.

Drawing on the Settlement Account may take place only if there are sufficient funds in the account.

## 5. Transfers from a current account (settlement account) and raising of intraday loans

During the period from 5:30 pm to 4:15 pm, the account holder can use Kronos2 to transfer amounts from its current account to its Settlement Account, including as standing orders.

Immediately prior to all ordinary settlements in the Sum Clearing and Intraday Clearing, Danmarks Nationalbank receives notification (a Forecast) from Finance Denmark about the account holder's liquidity need in connection with the Sum Clearing and/or Intraday Clearing in Danish kroner plus any excess cover selected by the account holder in Mastercard Payment Services, the DK Clearing Portal.

The Forecast is calculated as a positive amount, a negative amount or zero.



### **Transfers from a current account (settlement account) by Danmarks Nationalbank**

If the account holder's calculated Forecast in connection with a settlement in the Sum Clearing and/or Intraday Clearing for use in the Settlement of Payments exceeds the balance of the account holder's Settlement Account immediately prior to the settlement in question, Danmarks Nationalbank is authorised, prior to the individual settlement, to debit the account holder's current account (settlement account) with an amount corresponding to the difference and transfer the amount to the Settlement Account. If the disposable amount in the current account (settlement account) is insufficient to cover the entire difference, only the available disposable amount is debited.

### **Intraday loans for use in connection with settlement**

If the account holder's calculated Forecast in connection with a settlement in the Sum Clearing and Intraday Clearing for use in the Settlement of Payments exceeds the balance of the account holder's Settlement Account (including any balance of the current account (settlement account) transferred to the Settlement Account, cf. above) prior to the settlement in question, Danmarks Nationalbank is authorised to debit the account holder's current account (loan account) with an amount corresponding to the difference (raising of intraday loan) against collateral in the form of the collateral value of assets in the account holder's collateral list. The loan proceeds are credited to the account holder's current account (settlement account) and then transferred to the Settlement Account for registration of the account holder's net position.

## **6. Maximum overdraft facility in connection with ordinary settlements**

The account holder's maximum overdraft facility in connection with the individual settlements in the Sum Clearing and Intraday Clearing is equivalent to the balance of the account holder's Settlement Account at the time of Danmarks Nationalbank's receipt of the "Liquidity Lock Request" from Finance Denmark prior to each settlement.

Prior to a settlement in the Sum Clearing and/or Intraday Clearing and following receipt of the "Liquidity Lock Request" from Finance Denmark, Danmarks Nationalbank notifies Finance Denmark of the account holder's maximum overdraft facility for use in the Settlement of Payments.

## **7. Maximum overdraft facility in connection with extraordinary settlement in the Sum Clearing**

Via Kronos2, Danmarks Nationalbank gives the account holder access to information concerning the time at which the account holder's balance in the Settlement Account is the account holder's maximum overdraft facility in connection with extraordinary settlement.

## 8. Registration of net position

The account holder's net position in the Sum Clearing and Intraday Clearing in Danish kroner is registered in connection with the following settlements:

The Sum Clearing and Intraday Clearing at 1:30 am

The Sum Clearing at 6:00 am on the first banking day after a bank closing day

The Intraday Clearing at 9:00 am

The Intraday Clearing at 12:00 noon and

The Intraday Clearing at 2:00 pm.

If the Sum Clearing is not completed at 1:30 am, it can be completed at 3:00 am, 6:00 am, 9:00 am, 12:00 noon or 2:00 pm. If the Intraday Clearing is not completed at 1:30 am, it can be completed at 6:00 am, 9:00 am, 12:00 noon or 2:00 pm.

Besides the above-mentioned ordinary settlements, extraordinary settlements in the Sum Clearing may take place by agreement between Finance Denmark and Danmarks Nationalbank.

Danmarks Nationalbank registers the account holder's net position to the latter's Settlement Account on Danmarks Nationalbank's receipt of Finance Denmark's notification of the account holder's net position at the end of a settlement cycle. Registration of the account holder's net position in a settlement is not final until all net positions in the settlement have been registered.

## 9. Collateral rights in relation to funds in the Settlement Account

The Settlement Account and the balance of the account are frozen in the period from Danmarks Nationalbank's receipt of the "Liquidity Lock Request" from Finance Denmark and Danmarks Nationalbank's notification to Finance Denmark of the account holder's maximum overdraft facility in the settlement until the account holder's net position at the end of a settlement cycle has been compiled and registered to the Settlement Account and Danmarks Nationalbank has received the "Liquidity Unlock Request" from Finance Denmark. During this period, the account holder has no right to dispose of the Settlement Account.

The freezing is to collateralise the account holder's obligations vis-à-vis Danmarks Nationalbank arising from Danmarks Nationalbank's notification to Finance Denmark of the account holder's maximum overdraft facility in the settlement cycle.

## 10. Emptying of the Settlement Account

Danmarks Nationalbank empties the account holder's Settlement Account by transfer of any balance at the time of transfer to the account holder's current account (settlement account) immediately after registration of the account holder's net position after each settlement cycle has been completed in the sum Clearing and the Intraday Clearing and Danmarks Nationalbank has received the "Liquidity Unlock Request" from Finance Denmark. Whether or not the settlement has been completed, Danmarks Nationalbank empties the account holder's Settlement Account at 4:15 pm.

## 11. Interest

The Settlement Account does not bear interest.

## 12. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 13. Commencement

These terms and conditions shall enter into force on 18 November 2024 and replace "Terms and Conditions for a Settlement Account for Retail Payments in Danish Kroner at Danmarks Nationalbank" of 15 September 2018.

Copenhagen, 4 November 2024

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for a Settlement Account for the Sum Clearing and Intraday Clearing in Danish Kroner at Danmarks Nationalbank

The undersigned hereby requests the establishment of a settlement account for the Sum Clearing and Intraday Clearing in Danish kroner at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts "Terms and Conditions for a Settlement Account for the Sum Clearing and Intraday Clearing in Danish Kroner at Danmarks Nationalbank".

Name of account holder: \_\_\_\_\_

Current account number:

Settlement account: \_\_\_\_\_

Loan account: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

# Terms and Conditions for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank

Terms and Conditions for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank (the Settlement Account) apply to any settlement of payments at Danmarks Nationalbank in connection with the Express Clearing in Danish kroner (Settlement of Payments) on the terms set out in the agreement in force at any time between Finance Denmark and Danmarks Nationalbank.

## 1. Access to Settlement of Payments

Finance Denmark and Danmarks Nationalbank must approve participants in the Settlement of Payments.

A condition for approval by Danmarks Nationalbank is that the participant holds a current account and a Settlement Account at Danmarks Nationalbank.

## 2. Establishment of the Settlement Account

A Settlement Account is established after written application to Danmarks Nationalbank, using the form "Request for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank".

## 3. Termination of a Settlement Account

Danmarks Nationalbank is entitled to terminate the Settlement Account at any time and without notice.

The account holder is entitled to terminate the Settlement Account, provided that all obligations arising from the use of the Settlement Account have been fulfilled and that any obligations to Danmarks Nationalbank arising from Danmarks Nationalbank's notification at any time to Finance Denmark regarding the account holder's maximum overdraft facility in the Express Clearing have been met.

## 4. Transactions

Transactions of any kind to the Settlement Account shall take place in the name of the account holder.

The Settlement Account may be used only for transactions in Danish kroner.

Only the following transactions may be made to the Settlement Account:

- transfers from the account holder's current account to the Settlement Account, cf. Sections 6 and 7
- transfers from the Settlement Account to the account holder's current account (settlement account)
- transfers from the Settlement Account to the account holder's other settlement accounts, except for the CLS settlement account and the DCA in Danish kroner
- transfers from the account holder's other settlement accounts, except for the CLS settlement account and the DCA in Danish kroner, to the Settlement Account
- registration of the account holder's net position in the Express Clearing in Danish kroner, cf. Section 7
- emptying of the Settlement Account, cf. Section 8.

Drawing on the Settlement Account may take place only if there are sufficient funds in the account.

## 5. Credit line for the Express Clearing

At Mastercard Payment Service, an account holder participating in the Express Clearing must choose the amount the account holder wishes to make available for the Express Clearing, adjusted for the account holder's net position ("the Express Clearing rule").

At the request of Finance Denmark, Danmarks Nationalbank submits a credit line for the Express Clearing to Finance Denmark for use in the Express Clearing. Finance Denmark regularly requests increases and reductions in the credit line for the Express Clearing. The credit line is based on the Express Clearing rule chosen by the participant in Mastercard Payment Service and represents the account holder's maximum overdraft facility in the Express Clearing.

The account holder pledges collateral for the account holder's obligations vis-à-vis Danmarks Nationalbank arising from the credit line for the Express Clearing submitted by Danmarks Nationalbank to Finance Denmark, as specified below under Sections 6.

If only part of the credit line for the Express Clearing requested by Finance Denmark, including regular increases in the credit line, is covered in the account holder's collateral list, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15, a credit line for the Express Clearing corresponding solely to the amount covered is submitted.

Immediately after registration of the account holder's net position in connection with a settlement in the Express Clearing, a credit line submitted for the Express Clearing is reduced by an amount

corresponding to the net position if the net position is negative. The reduced credit line is superseded by any new credit line notified to Finance Denmark by Danmarks Nationalbank.

## 6. Collateral pledged for credit line for the Express Clearing

The credit line for the Express Clearing submitted by Danmarks Nationalbank at any time is against collateral in the form of the account holder's assets in the account holder's collateral list, cf.

"Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15.

If the credit line for the Express Clearing requested by Finance Denmark at any time, including regular increases in the credit line, exceeds the total collateral value of the account holder's collateral for intraday loans and the credit line for the Express Clearing, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15, less outstanding intraday loans, Danmarks Nationalbank is authorised to debit the account holder's current account (settlement account) with any balance corresponding to the uncovered portion of the credit line. The amount is transferred to the account holder's current account (loan account) to reduce intraday loans raised, thereby correspondingly increasing the collateral available in the account holder's collateral list. Any excess amount is transferred to the pledged cash account.

The balance of the Settlement Account is not included in the calculation of the credit line for the Express Clearing submitted by Danmarks Nationalbank to Finance Denmark.

## 7. Registration of the account holder's net position and borrowing for settlement of book entries in the Express Clearing

The account holder's net position in the Express Clearing in Danish kroner is registered at the times fixed by Finance Denmark at any time: The settlement times are 00:50 am, 5:20 am, 8:20 am, 11:20 am, 1:20 pm and 2:30 pm.

### **a) Transfer by Danmarks Nationalbank from the pledged cash account and current account (settlement account)**

If the account holder's net position is negative, and there are insufficient funds in the Settlement Account, any balance of the pledged cash account is used to cover the account holder's net position, in full or in part. If the account holder's negative net position exceeds the sum of the balance of the Settlement Account and the pledged cash account, Danmarks Nationalbank is authorised to debit the account holder's current account (settlement account) with an amount corresponding to the difference and transfer the amount to the Settlement Account. If the disposable amounts in the pledged cash account and current account (settlement account), respectively, are insufficient to cover the entire difference, only the available disposable amount is debited.

#### **b) Intraday loans for use in connection with settlement**

If the account holder's negative net position exceeds the balance of the Settlement Account after the transfer from the current account (settlement account), as described above, and the balance of the pledged cash account, Danmarks Nationalbank is authorised to debit the account holder's current account (loan account) with an amount corresponding to the difference (raising of intraday loans). The intraday loan is collateralised against the account holder's assets in the collateral list. The loan proceeds are credited to the account holder's current account (settlement account) and immediately afterwards transferred to the Settlement Account for book-entry of the account holder's net position.

Immediately after Danmarks Nationalbank's receipt and approval of the book entries from Finance Denmark and registration of the account holder's net position, Danmarks Nationalbank reduces the credit line for the Express Clearing for Finance Denmark by an amount corresponding to the account holder's net position if the net position is negative.

Danmarks Nationalbank registers the account holder's net position to the latter's Settlement Account on Danmarks Nationalbank's receipt of Finance Denmark's notification of the account holder's net position at the end of a settlement cycle. Registration of the account holder's net position in a settlement is not final until all net positions in the settlement have been registered.

### **8. Emptying of the Settlement Account**

Danmarks Nationalbank empties the account holder's Settlement Account by transfer of any balance at the time of transfer to the account holder's current account (settlement account) immediately after registration of the account holder's net positions in each settlement in the Express Clearing has been completed. Whether or not the settlement has been completed, Danmarks Nationalbank empties the account holder's Settlement Account at 4:15 pm.

### **9. Interest**

The Settlement Account does not bear interest.

### **10. Other terms and conditions**

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".



## 11. Commencement

These terms and conditions shall enter into force on 18 November 2024 and replace "Terms and Conditions for a Settlement Account for Retail Payments in Danish Kroner at Danmarks Nationalbank" of 15 September 2018.

Copenhagen, 4 November 2024

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank

The undersigned hereby requests the establishment of a settlement account for the Express Clearing in Danish kroner at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts "Terms and Conditions for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank".

Name of account holder: \_\_\_\_\_

Current account number:

Settlement account: \_\_\_\_\_

Loan account: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

# Terms and Conditions for a Pledged Cash Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank

Terms and Conditions for a Pledged Cash Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank apply to account holders participating in the Express Clearing and relate to collateral for the account holder's obligations vis-à-vis Danmarks Nationalbank arising from the credit line submitted by Danmarks Nationalbank to Finance Denmark at any time for the account holder's overdraft facility in the Express Clearing.

## 1. Establishment of a pledged cash account

For account holders participating in the Express Clearing in Danish kroner at Danmarks Nationalbank, Danmarks Nationalbank establishes an account in the relevant account holder's name which is pledged to Danmarks Nationalbank ("pledged cash account").

## 2. Termination of a pledged cash account

The pledged cash account is a precondition for participation in Kronos2 and can be terminated only if the account holder's current account is terminated and, if the account holder is a monetary policy counterparty, the account holder no longer has access to the monetary policy instruments, cf. Section 3 in "Terms and Conditions for a Current Account at Danmarks Nationalbank".

## 3. Transactions

Transactions of any kind to the pledged cash account take place in the name of the account holder.

The pledged cash account may be used only for transactions in Danish kroner.

Only the following transactions may be made to the pledged cash account:

- transfers from the account holder's current account to the pledged cash account, cf. Section 4, at Danmarks Nationalbank's initiative
- debits for registration of a negative net position in the Express Clearing if there are insufficient funds in the settlement account, cf. Section 5
- transfers to the pledged cash account of proceeds from buy-back, redemption or sale of certificates of deposit, cf. Section 8

- transfers from the pledged cash account to the account holder's certificate-of-deposit account in connection with conversion of certificates of deposit, cf. Section 8
- transfers from the account holder's pledged cash account to the account holder's current account (settlement account) with the prior acceptance of Danmarks Nationalbank as the pledgee and at Danmarks Nationalbank's initiative, cf. Section 9.

#### 4. Transfers from a current account

Transfers to the pledged cash account from the account holder's current account take place only at Danmarks Nationalbank's initiative in connection with Danmarks Nationalbank's receipt from Finance Denmark of a request for a credit line for the Express Clearing, including regular increases in the credit line, which exceeds the total collateral value of the account holder's collateral for intraday loans and the credit line for the Express Clearing, cf. "Terms and Conditions for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank", Section 6, less outstanding intraday loans and the credit line for the Express Clearing.

#### 5. Settlement of the account holder's net position in the Express Clearing

If the account holder's net position in the Express Clearing is negative and there are insufficient funds in the account holder's settlement account for the Express Clearing, Danmarks Nationalbank uses the balance of the account holder's pledged cash account to cover, in full or in part, the pledgor's negative net positions in the Express Clearing, cf. "Terms and Conditions for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank", Section 7.

#### 6. Pledging of the cash account

The cash account and the balance of the account at any time is pledged to Danmarks Nationalbank as collateral for the account holder's obligations vis-à-vis Danmarks Nationalbank arising from the credit line submitted by Danmarks Nationalbank to Finance Denmark at any time for the account holder's overdraft facility in the Express Clearing.

The account holder pledges the cash account and the balance of this account at any time to Danmarks Nationalbank by signing "Deed of Pledge for a Credit Line for the Express Clearing in Danish Kroner – Pledging of the Cash Account", which is submitted to Danmarks Nationalbank with attached LEI code documentation.

## 7. Conversion of certificates of deposit

The balance of the pledged cash account is included in the calculation of whether the total current account limit of the monetary policy counterparties has been exceeded, cf. "Terms and Conditions for a Current Account in Danish Kroner at Danmarks Nationalbank", Section 9.

## 8. Settlement of buy-backs, redemptions and the account holder's sale of certificates of deposit

The proceeds from buy-backs, redemptions and the account holder's sale of certificates of deposit are transferred to the pledged cash account in the situations stated in Section 4 of "Terms and Conditions for Certificates of Deposit at Danmarks Nationalbank".

## 9. Reduction of the balance of the pledged cash account

Provided that a check for adequate cover is positive, cf. Section 14 of "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Danmarks Nationalbank is authorised at any time to reduce the balance of the pledged cash account and transfer the amount to the account holder's current account (settlement account), including for use for settlement of payments.

## 10. Interest

The pledged cash account does not bear interest.

The balance of the pledged cash account at 4:45 pm is included in the calculation of the participant's current account liquidity, which accrues interest at the current account rate and is credited to the participant's current account, cf. "Terms and Conditions for a Current Account in Danish Kroner at Danmarks Nationalbank", Section 8.

The balance of the pledged cash account at 4:45 pm is also included in the calculation of the monetary policy counterparties' maximum deposits, cf. "Terms and Conditions for a Current Account at Danmarks Nationalbank", Section 9.

## 11. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 12. Commencement

These terms and conditions shall enter into force on 29 October 2018 and replace "Terms and Conditions for a Pledged Cash Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank" of 1 August 2018.

Copenhagen, 15 September 2018

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Deed of Pledge for a Credit Line for the Express Clearing in Danish Kroner – Pledging of the Cash Account

Name of pledgor: \_\_\_\_\_

Address of pledgor: \_\_\_\_\_

LEI code of pledgor: \_\_\_\_\_

The pledgor is the registered holder of the cash account for the Express Clearing in Danish kroner at Danmarks Nationalbank, account number \_\_\_\_\_ (the "Cash Account"), and hereby pledges the Cash Account and the credit balance registered to the Cash Account at any time to Danmarks Nationalbank as collateral for any claim that Danmarks Nationalbank has on us arising from the credit line submitted at any time by Danmarks Nationalbank to Finance Denmark, stating our maximum overdraft facility in the Express Clearing (credit line for the Express Clearing).

At the same time, we declare that we have and will have the right of ownership of the credit balance registered to the Cash Account at any time, and that no limited rights or other rights concerning this balance have now been or will be granted to any third party.

Danmarks Nationalbank uses the balance of the Cash Account to cover the pledgor's negative net positions in the Express Clearing to the extent that there are insufficient funds in the pledgor's settlement account for the Express Clearing when Finance Denmark's notification of the pledgor's net position at the end of a settlement has been received by Danmarks Nationalbank.

All matters concerning this pledge and all matters concerning this deed of pledge shall be subject to Danish law. Any disputes shall be settled before the legal venue of Danmarks Nationalbank.

The undersigned are familiar with and by signing this deed of pledge accept "Terms and Conditions for a Settlement Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank" and "Terms and Conditions for a Pledged Cash Account for the Express Clearing in Danish Kroner at Danmarks Nationalbank".

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

# Terms and Conditions for a VP Settlement Account for Trading Transactions in Danish Kroner at Danmarks Nationalbank

Terms and Conditions for a Settlement Account for Trading Transactions in Danish Kroner at Danmarks Nationalbank (the Settlement Account) apply to any settlement of payments at Danmarks Nationalbank in VP settlement cycles for trading transactions, including issues, covered by VP Securities A/S' clearing and settlement system (Settlement of Payments). Settlement of Payments takes place on the terms set out in the settlement agreement between VP Securities A/S and Danmarks Nationalbank in force at any time.

## 1. Access to settlement of payments for trading transactions

VP Securities A/S and Danmarks Nationalbank must approve participants in the Settlement of Payments.

A condition for approval by Danmarks Nationalbank is that the participant holds a current account and a Settlement Account at Danmarks Nationalbank.

## 2. Establishment of a Settlement Account

A Settlement Account is established after written application to Danmarks Nationalbank, using the form "Request for a VP Settlement Account for Trading Transactions in Danish Kroner at Danmarks Nationalbank".

## 3. Termination of a Settlement Account

Danmarks Nationalbank is entitled to terminate the Settlement Account at any time and without notice.

The account holder is entitled to terminate its Settlement Account, provided that all obligations arising from the use of the Settlement Account have been fulfilled.

## 4. Transactions

Transactions of any kind to the Settlement Account shall take place in the name of the account holder.

The Settlement Account may be used only for transactions in Danish kroner.



Only the following transactions may be made to the Settlement Account:

- transfers from the account holder's current account to the Settlement Account, cf. Sections 5 and 7
- transfers from the Settlement Account to the account holder's current account (settlement account), respecting Danmarks Nationalbank's collateral rights in the Settlement Account, cf. Section 9
- transfers from the Settlement Account to the account holder's other settlement accounts, except for the CLS settlement account and the DCA in Danish kroner, respecting Danmarks Nationalbank's collateral rights in the Settlement Account, cf. Section 9
- transfers from the account holder's other settlement accounts, except for the CLS settlement account and the DCA in Danish kroner, to the Settlement Account
- registration of the account holder's net position in settlement cycles for trading transactions, cf. Section 8, and
- emptying of the Settlement Account, cf. Section 10.

Drawing on the Settlement Account may take place only if there are sufficient funds in the account.

## 5. Transfers from a current account

During the period from 5:30 pm to 3:55 pm, the account holder can use Kronos2 to transfer amounts from its current account (settlement account) in Danish kroner to its Settlement Account.

## 6. Maximum overdraft facility

The account holder's maximum overdraft facility in connection with the individual VP settlement cycles is equivalent to the balance of the account holder's Settlement Account at the time of Danmarks Nationalbank's receipt of the "Liquidity Lock Request" from VP Securities A/S prior to each settlement cycle.

Prior to settlement of a VP settlement cycle for trading transactions and after receipt of the "Liquidity Lock Request" from VP Securities A/S, Danmarks Nationalbank notifies VP Securities A/S of the account holder's maximum overdraft facility in the settlement cycle.

## 7. Registration of net position (trading transactions)

Settlement of payments in VP settlement cycles takes place in the following settlement cycle:

VP settlement cycle 10 (including issues) at 6:00 pm

Danmarks Nationalbank registers the account holder's net position to the latter's Settlement Account on Danmarks Nationalbank's receipt of VP Securities A/S' notification of the account holder's net position at the end of a settlement cycle for trading transactions. Registration of the account holder's net position in a settlement cycle is not final until all net positions in the settlement cycle have been registered.

## 8. Collateral rights in relation to funds in the Settlement Account

The Settlement Account and the balance of the account are frozen in the period from Danmarks Nationalbank's receipt of the "Liquidity Lock Request" from VP Securities A/S and Danmarks Nationalbank's notification to VP Securities A/S of the account holder's maximum overdraft facility in the settlement cycle until the account holder's net position has been compiled and registered to the Settlement Account and Danmarks Nationalbank has received the "Liquidity Unlock Request" from VP Securities A/S. During this period, the account holder has no right to dispose of the account.

The freezing is to collateralise the account holder's obligations vis-à-vis Danmarks Nationalbank arising from Danmarks Nationalbank's notification to VP Securities A/S of the account holder's maximum overdraft facility in the settlement cycle.

## 9. Emptying of the Settlement Account

Danmarks Nationalbank empties the account holder's Settlement Account by transfer of any balance at the time of transfer to the account holder's current account (settlement account) immediately after registration of the account holder's net position after each settlement cycle has been completed and Danmarks Nationalbank has received the "Liquidity Unlock Request" from VP Securities A/S. Whether or not the settlement has been completed, Danmarks Nationalbank empties the account holder's Settlement Account at 3:55 pm.

## 10. Interest

The Settlement Account does not bear interest.

## 11. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 12. Commencement

These terms and conditions shall enter into force on 18 May 2023 and replace "Terms and Conditions for a VP Settlement Account for Trading Transactions in Danish Kroner at Danmarks Nationalbank" of 27. November 2018.

Copenhagen, 4 May 2023

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for a VP Settlement Account for Trading Transactions in Danish Kroner at Danmarks Nationalbank

The undersigned hereby requests the establishment of a VP settlement account for trading transactions in Danish kroner at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts "Terms and Conditions for a VP Settlement Account for Trading Transactions in Danish Kroner at Danmarks Nationalbank".

Name of account holder: \_\_\_\_\_

Current account number:

Settlement account: \_\_\_\_\_

Loan account: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

# Terms and Conditions for a CLS Settlement Account in Danish Kroner at Danmarks Nationalbank

Terms and Conditions for a CLS Settlement Account in Danish Kroner at Danmarks Nationalbank (the Settlement Account) apply to settlement of payments at Danmarks Nationalbank in connection with the settlement of transactions in Danish kroner in CLS on the terms set out in the agreement in force at any time between CLS Bank and Danmarks Nationalbank (the "Co-ordination Manual").

## 1. Access to settlement of payments in CLS in Danish kroner

CLS Bank and Danmarks Nationalbank must approve participants in the settlement of payments in CLS in Danish kroner.

A condition for approval by Danmarks Nationalbank is that the participant holds a current account and a Settlement Account at Danmarks Nationalbank.

## 2. Establishment of a CLS settlement account

A Settlement Account is established after written application to Danmarks Nationalbank, using the form "Request for a CLS Settlement Account in Danish Kroner at Danmarks Nationalbank".

## 3. Termination of a CLS settlement account

Danmarks Nationalbank is entitled to terminate the Settlement Account at any time and without notice.

The account holder is entitled to terminate the Settlement Account, provided that all obligations arising from the use of the account have been fulfilled.

## 4. Transactions

Transactions of any kind to the Settlement Account shall take place in the name of the account holder. The Settlement Account may be used only for transactions in Danish kroner.

Only the following transactions may be made to the Settlement Account:

- transfers from the account holder's current account to the Settlement Account, cf. Section 5

- transfers from the Settlement Account to the account holder's current account (settlement account), cf. Section 8
- transfers from the account holder's Settlement Account to CLS's settlement account, to the account holder's other settlement accounts, except for the DCA in Danish kroner, and to another account holder's CLS settlement account in Danish kroner, cf. Section 7
- transfers from CLS's settlement account in Danish kroner to the account holder's Settlement Account, cf. Section 6
- emptying of the Settlement Account, cf. Section 9.

Drawing on the Settlement Account may take place only if there are sufficient funds in the account.

## 5. Transfers from the account holder's current account

During the period from 5:30 pm to 4:15 pm, the account holder can use Kronos2 to transfer amounts from its current account (settlement account) to its Settlement Account.

## 6. Transfers from CLS's settlement account in Danish kroner

During the period from 7:00 am to 4:15 pm, CLS may use Kronos2 to transfer the account holder's net credit balance in Danish kroner from CLS's settlement account to the account holder's Settlement Account.

## 7. Transfers to CLS's settlement account, to the account holder's other settlement accounts, except for the DCA in Danish kroner, and to another account holder's CLS settlement account in Danish kroner

During the period from 7:00 am to 4:15 pm, the account holder can use Kronos2 to transfer amounts from its Settlement Account to CLS's settlement account, to the account holder's other settlement accounts, except for the DCA in Danish kroner, and to another account holder's CLS settlement account.

## 8. Transfers to the account holder's current account

During the period from 5:30 pm to 4:15 pm, the account holder can transfer amounts from its Settlement Account to its current account (settlement account).

## 9. Emptying of the Settlement Account

Danmarks Nationalbank empties the account holder's Settlement Account by transfer of any balance at the time of transfer to the account holder's current account (settlement account) after the completion of the CLS settlement. Whether or not the settlement has been completed, Danmarks Nationalbank empties the account holder's Settlement Account at 4:15 pm.

## 10. Interest

The Settlement Account does not bear interest.

## 11. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 12. Commencement

These terms and conditions shall enter into force on 29 October 2018 and replace "Terms and Conditions for a CLS Settlement Account in Danish Kroner at Danmarks Nationalbank" of 1 August 2018.

Copenhagen, 15 September 2018

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for CLS Settlement Account in Danish Kroner at Danmarks Nationalbank

The undersigned hereby requests the establishment of a CLS settlement account in Danish kroner at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts "Terms and Conditions for a CLS Settlement Account in Danish Kroner at Danmarks Nationalbank".

Name of account holder: \_\_\_\_\_

Current account number:

Settlement account: \_\_\_\_\_

Loan account: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories



# Terms and Conditions for Use of Scandinavian Cash Pool in Danish Kroner as Collateral at Danmarks Nationalbank

Terms and Conditions for Use of Scandinavian Cash Pool as Collateral at Danmarks Nationalbank apply in connection with any intraday loan and submission of credit line to Finance Denmark for the Express Clearing against collateral in the form of currency deposits at Sveriges Riksbank or Norges Bank as an element of the Scandinavian Cash Pool (SCP currency deposits).

## 1. Access to intraday loans and the credit line for the Express Clearing against collateral in SCP currency deposits

Danmarks Nationalbank may give current account holders access to use SCP currency deposits as collateral for intraday loans and credit lines for the Express Clearing submitted by Danmarks Nationalbank to Finance Denmark if written application is made to Danmarks Nationalbank, using the form "Request for Access to Use SCP Currency Deposits at Danmarks Nationalbank as Collateral".

A condition for authorisation by Danmarks Nationalbank is that the participant holds a current account at Danmarks Nationalbank.

## 2. Termination of access to intraday loans and credit lines for the Express Clearing against collateral in SCP currency deposits

Danmarks Nationalbank is entitled at any time and without notice to terminate the account holder's access to use SCP currency deposits as collateral and require the immediate repayment of any outstanding amount. If the outstanding amount is not repaid, Danmarks Nationalbank is entitled without notice to enforce its collateral rights in the collateral pledged by the account holder.

The account holder is entitled to stop using SCP currency deposits as collateral without notice, provided that all obligations arising from the use of the SCP currency deposits have been fulfilled.

## 3. Registration of the value of SCP currency deposits at Danmarks Nationalbank

Danmarks Nationalbank registers the value of the account holder's SCP currency deposits in the account holder's collateral list, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15, upon Danmarks Nationalbank's receipt of the collateral notification from Sveriges Riksbank or Norges Bank. The collateral value of the account holder's SCP currency deposit corresponds to the value in Danish kroner of the ac-

count holder's currency deposits in Swedish kronor or Norwegian kroner pledged as collateral, less a haircut, calculated using the following formula:

Collateral value in Danish kroner = currency deposits pledged as collateral \* exchange rate \* (1 - currency haircut)

Exchange rates are calculated on the basis of Danmarks Nationalbank's official exchange rates on the previous banking day.

The currency haircut for loans against collateral in Swedish kronor is currently 5 per cent.

The currency haircut for loans against collateral in Norwegian kroner is currently 5 per cent.

Danmarks Nationalbank may change the currency haircuts at any time without notice.

#### 4. Request for release of collateral registered in SCP currency deposits

During the period from 7:00 am to 4:45 pm, the account holder may request the release of SCP currency deposits registered as collateral by Danmarks Nationalbank. The request for release implies that Danmarks Nationalbank is authorised to debit any balance to the account holder's current account (settlement account) and transfer the amount to the current account (loan account) to reduce the account holder's intraday loans. The release of currency deposits then takes place to the extent that the collateral value of other collateral in the account holder's collateral list for intraday loans and credit line for the Express Clearing is sufficient to cover the account holder's outstanding intraday loans and outstanding credit line for the Express Clearing, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15.

#### 5. Redemption of loans raised or substitution of collateral

The account holder is obliged to redeem intraday loans raised against SCP currency deposits as collateral or replace collateral in SCP currency deposits by other eligible collateral by 3:00 pm on the same banking day.

Each day at 3:00 pm, Danmarks Nationalbank thus reduces the account holder's collateral list by the collateral value of the account holder's collateral in the form of SCP currency deposits, but see below, however.

Simultaneously with the reduction, Danmarks Nationalbank notifies Sveriges Riksbank or Norges Bank that an equivalent amount may be released from the account holder's currency deposits in Swedish kronor or Norwegian kroner pledged as collateral, calculated using the following formula:

Currency deposit for release = amount of loan reduction in Danish kroner / (exchange rate \* (1 - currency haircut)).

Exchange rates and currency haircuts are determined by Danmarks Nationalbank, cf. Section 3.

If, just before 3:00 pm, the sum of the account holder's outstanding intraday loans and the credit line for the Express Clearing exceeds the total collateral value of the account holder's other collateral in the collateral list for intraday loans and for the credit line for the Express Clearing, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15, Danmarks Nationalbank is authorised to debit the account holder's current account (settlement account) with an amount corresponding to the difference and transfer this amount to the account holder's current account (loan account) to reduce the account holder's intraday loans. If the funds in the current account (settlement account) are insufficient to cover the difference, Danmarks Nationalbank retains collateral for the portion of the SCP currency deposit necessary to ensure full collateral coverage for the account holder's total outstanding exposure to Danmarks Nationalbank, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank", Section 15.

## 6. Payment in case of non-redemption or substitution of collateral

In addition to immediately covering or substituting collateral, cf. Section 5, the account holder is obliged to pay an amount of kr. 50,000.00 to Danmarks Nationalbank.

If, at 4:45 pm, the account holder's outstanding intraday loans and outstanding credit line for the Express Clearing still exceed the total collateral value of other collateral pledged by the account holder for intraday loans and credit lines for the Express Clearing, in addition to immediate coverage, the account holder is obliged to pay a further kr. 50,000.00. Danmarks Nationalbank is entitled, without prior legal action and without notice, to enforce its collateral rights in the assets pledged by the account holder as collateral in the form of currency deposits or other assets.

Danmarks Nationalbank may change these amounts at any time and without notice.

## 7. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 8. Commencement

These terms and conditions shall enter into force on 18 May 2023 and replace "Terms and Conditions for SCP Loan Accounts in Danish Kroner at Danmarks Nationalbank" of 15 September 2018.

Copenhagen, 4 May 2023

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for Access to Use SCP Currency Deposits at Danmarks Nationalbank as Collateral

The undersigned hereby requests access to use SCP currency deposits as collateral for intraday loans and credit lines for the Express Clearing submitted by Danmarks Nationalbank to Finance Denmark.

The undersigned is familiar with and by signing this request accepts "Terms and Conditions for Use of Scandinavian Cash Pool in Danish Kroner as Collateral at Danmarks Nationalbank".

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

| Account holder's BIC code at Danmarks Nationalbank | Account holder's BIC code at central bank abroad | Name of central bank abroad |
|--|--|-----------------------------|
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The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

# Terms and Conditions for SCP Pledged Collateral Accounts in Danish Kroner at Danmarks Nationalbank

Terms and Conditions for SCP Pledged Collateral Accounts in Danish Kroner at Danmarks Nationalbank apply to any provision of cash collateral in Danish kroner at Danmarks Nationalbank for loans at Sveriges Riksbank or Norges Bank as an element of the Scandinavian Cash Pool (SCP).

## 1. SCP pledged collateral accounts in Danish kroner

Danmarks Nationalbank may give current account holders access to hold SCP pledged collateral accounts in Danish kroner. A condition for approval by Danmarks Nationalbank is that the participant holds a current account at Danmarks Nationalbank.

## 2. Establishment of SCP pledged collateral accounts

SCP pledged collateral accounts are established after written application to Danmarks Nationalbank, using the form "Request for SCP Pledged Collateral Accounts in Danish Kroner at Danmarks Nationalbank".

## 3. Termination of SCP pledged collateral accounts

Danmarks Nationalbank is entitled to terminate SCP pledged collateral accounts at any time and without notice.

The account holder is entitled to terminate SCP pledged collateral accounts, provided that all obligations arising from the use of the accounts have been fulfilled.

## 4. Transactions

Transactions of any kind in SCP pledged collateral accounts take place in the name of the account holder.

SCP pledged collateral accounts may be used only for transactions in Danish kroner.

Only the following transactions may be made to SCP pledged collateral accounts:

- registration of pledged collateral, cf. Section 5, and
- registration of release of pledged collateral, cf. Section 6.

## 5. Registration of pledged collateral

During the period from 7:00 am to 3:00 pm, the account holder can use Kronos2 to transfer amounts from its current account to its SCP pledged collateral account. At the same time, Danmarks Nationalbank registers the pledgee's collateral and notifies Sveriges Riksbank or Norges Bank of the collateral pledged.

## 6. Registration of release of pledged collateral

Danmarks Nationalbank registers the release of the pledged collateral upon Danmarks Nationalbank's receipt of notification from Sveriges Riksbank or Norges Bank of reduction of the account holder's loan.

An equivalent amount is transferred to the account holder's current account (settlement account).

## 7. Reduction of account balance

The account holder is obliged to ensure that there are no deposits in SCP pledged collateral accounts at 3:00 pm. In case of deposits in SCP pledged collateral accounts after 3:00 pm, in addition to immediately reducing such deposits to zero, the account holder is obliged to pay an amount of kr. 50,000.00 to Danmarks Nationalbank. Danmarks Nationalbank may change this amount at any time and without notice.

## 8. Interest

SCP pledged collateral accounts do not bear interest.

Any balance of SCP pledged collateral accounts at 4:45 pm is included in the calculation of the monetary policy counterparties' maximum deposits, cf. "Terms and Conditions for a Current Account at Danmarks Nationalbank", Section 9.

## 9. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 10. Commencement

These terms and conditions shall enter into force on 18 May 2023 and replace "Terms and Conditions for SCP Pledged Collateral Accounts in Danish Kroner at Danmarks Nationalbank" of 15 September 2018.

Copenhagen, 4 May 2023

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for SCP Pledged Collateral Accounts in Danish Kroner at Danmarks Nationalbank

The undersigned hereby requests the establishment of \_\_\_\_\_ (number) SCP pledged collateral accounts in Danish kroner at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts "Terms and Conditions for SCP Pledged Collateral Accounts in Danish Kroner at Danmarks Nationalbank".

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

| Account holder's BIC code at Danmarks Nationalbank | Account holder's BIC code at central bank abroad | Name of central bank abroad |
|--|--|-----------------------------|
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The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories



Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Deed of Pledge (Third-Party Pledge) for Credit Facilities in Danish Kroner at Danmarks Nationalbank in Scandinavian Cash Pool (SCP)

Name of pledgor: \_\_\_\_\_

Address of pledgor: \_\_\_\_\_

LEI code of pledgor: \_\_\_\_\_

The pledgor is the registered holder of SCP pledged collateral account number \_\_\_\_\_ ("the Account") at Sveriges Riksbank or Norges Bank with SWIFT BIC code \_\_\_\_\_, and hereby pledges the Account, as well as the credit balance registered to the Account at any time, to Danmarks Nationalbank as collateral for any debt owed by \_\_\_\_\_ ("the Borrower") now or in the future to Danmarks Nationalbank in the form of intraday loans and as collateral for any claim that Danmarks Nationalbank has on the Borrower arising from the credit line submitted at any time by Danmarks Nationalbank to Finance Denmark, stating the Borrower's maximum overdraft facility in the Express Clearing (credit line for the Express Clearing).

At the same time, we declare that we have and will have the right of ownership of the credit balance registered to the Account at any time, and that no limited rights or other rights concerning the credit have now been or will be granted to any third party.

Should Danmarks Nationalbank wish to enforce its collateral rights in the credit balance registered to the Account, Danmarks Nationalbank shall be entitled without prior legal action or prior notice to realise such credit balance in the manner determined by Danmarks Nationalbank.

Danmarks Nationalbank shall be entitled without our consent to grant the Borrower extension of payment.

Danmarks Nationalbank shall notify this deed of pledge to Sveriges Riksbank or Norges Bank for registration of Danmarks Nationalbank as the registered holder of rights concerning the Account and the credit balance registered to the Account at any time.

All matters concerning this pledge and all matters concerning this deed of pledge shall be subject to Danish law. Any disputes shall be settled before the legal venue of Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank in Scandinavian Cash Pool (SCP)

Name of pledgor: \_\_\_\_\_

Address of pledgor: \_\_\_\_\_

LEI code of pledgor: \_\_\_\_\_

The pledgor is the registered holder of SCP pledged collateral account number \_\_\_\_\_ ("the Account") at Sveriges Riksbank or Norges Bank with SWIFT BIC code \_\_\_\_\_, and hereby pledges the Account, as well as the credit balance registered to the Account at any time, to Danmarks Nationalbank as collateral for any debt owing now or in the future to Danmarks Nationalbank in the form of intraday loans and as collateral for any claim that Danmarks Nationalbank has on us arising from any credit line submitted at any time by Danmarks Nationalbank to Finance Denmark, stating our maximum overdraft facility in the Express Clearing (credit line for the Express Clearing).

At the same time, we declare that we have and will have the right of ownership of the credit balance registered to the Account at any time, and that no limited rights or other rights concerning the credit have now been or will be granted to any third party.

Should Danmarks Nationalbank wish to enforce its collateral rights in the credit balance registered to the Account, Danmarks Nationalbank shall be entitled without prior legal action or prior notice to realise such credit balance in the manner determined by Danmarks Nationalbank.

Danmarks Nationalbank shall notify this deed of pledge to Sveriges Riksbank or Norges Bank for registration of Danmarks Nationalbank as the registered holder of rights concerning the Account and the credit balance registered to the Account at any time.

All matters concerning this pledge and all matters concerning this deed of pledge shall be subject to Danish law. Any disputes shall be settled before the legal venue of Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

# Terms and Conditions for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank

Terms and Conditions for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank in the form of a Dedicated Cash Account (DCA) in TARGET2-Securities (the Settlement Account) apply in connection with any settlement of payments in Danish kroner in TARGET2-Securities (Settlement of Payments) on the terms set out in T2S Technical and Functional Documents.

TARGET2-Securities (T2S) is the trans-European platform (the T2S platform) for securities settlement, which is based on a shared technical infrastructure to which central securities depositories outsource their settlement. Custody accounts and business transactions for participants in T2S settlement in Danish kroner are still managed by the relevant CSDs, and the Settlement of Payments is regulated by Danmarks Nationalbank's terms and conditions for accounts.

The services provided by T2S for participants in T2S settlement are described in T2S Technical and Functional Documents available at the website of the European Central Bank ([www.ecb.europa.eu](http://www.ecb.europa.eu)). Unless otherwise prescribed by Danmarks Nationalbank's terms and conditions for accounts, these rules also apply to participants in the Settlement of Payments.

## 1. Definitions

In addition to the definitions set out in "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", the following definitions apply to these Terms and Conditions:

"Administrator user" is a person authorised by the authorised signatories of an account holder who is a Directly Connected Party (DCP) to perform transactions on behalf of the account holder and appoint other users.

"User" is a person authorised by an administrator user who is a Directly Connected Party (DCP) to perform transactions on behalf of the account holder and appoint other users.

"Collateral providing custody account" is a custody account designated by an account holder at a CSD as the collateral providing custody account from which securities can be transferred to the pledged receiving custody account in connection with the raising of T2S Auto-collateralisation loans. The collateral providing custody account can be registered at VP Securities A/S or at another CSD participating in T2S that has established a link to VP Securities A/S.

"Currency Participation Agreement (CPA)" is the agreement entered into between the Eurosystem and Danmarks Nationalbank on Danmarks Nationalbank's participation in T2S with Danish kroner.

"Directly Connected Party (DCP)" is an account holder with direct access to T2S, cf. T2S Technical and Functional Documents.

The "Eurosystem" is the European Central Bank (ECB) and the national central banks (NCBs) of the euro area member states.

"The 4CBs" are: Deutsche Bundesbank, Banque de France, Banco d'Italia and Banco de España in their capacity as the CBs building and operating the T2S Platform.

"Indirectly Connected Party (ICP)" is an account holder with restricted access to T2S functions, interacting with T2S through Kronos2 only and with access inter alia to perform transactions in the Settlement Account via Kronos2.

"Linked current account" is the current account designated by the account holder in "Request for a Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank" as the linked current account.

"Dedicated Cash Accounts (DCAs)" are all DCAs in Danish kroner in T2S, including the account holder's Settlement Account(s) and Danmarks Nationalbank's DCAs.

"T2S services" are services provided by the Eurosystem for CSDs participating in T2S and national central banks as described in the CPA, other relevant agreements and in T2S Technical and Functional Documents.

"T2S Technical and Functional Documents" are the T2S documentation in force at any time, describing technical and functional aspects, requirements, terms and conditions relating to T2S, including T2S User Detailed Functional Specifications, T2S User Handbook, T2S General Functional Specifications and T2S User Requirements Document, available at the website of the European Central Bank ([www.ecb.europa.eu](http://www.ecb.europa.eu)).

## 2. Access to T2S settlement in Danish kroner

Institutions with access to hold a current account in Danish kroner at Danmarks Nationalbank have access to hold one or more Settlement Accounts in Danish kroner on T2S (Settlement Account(s)).

The holder of the Settlement Account may be a Directly Connected Party (DCP) or an Indirectly Connected Party (ICP).

Account holders participating in Kronos2 are obliged to ensure that they are connected to Kronos2 and account holders that are DCPs are obliged to ensure that the T2S connection is active on Danmarks Nationalbank's business days.

In order for Danmarks Nationalbank to open a Settlement Account, the institution in question must fulfil the following technical requirements:

- install, operate and monitor the security of the necessary IT infrastructure to provide a technical connection to the Kronos2 and/or T2S platform and to submit payment orders to it. In doing so, applicant participants may involve third parties, but retain sole liability. In particular, when connecting directly to the T2S Platform, applicant participants shall enter into an agreement with a T2S network service provider to obtain the necessary connection.
- have passed the tests required and have obtained the authorisation required by Danmarks Nationalbank.

The institution must submit the forms required by Danmarks Nationalbank at any time, available at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)), duly completed, along with any further declarations deemed necessary by Danmarks Nationalbank.

The institution is also obliged to update the forms submitted and, at Danmarks Nationalbank's request, submit any new forms to Danmarks Nationalbank.

### 3. User access to T2S

#### **a) Indirectly Connected Parties (ICPs)**

Indirectly Connected Parties (ICPs) have access to T2S functionalities via Kronos2. Users who have access to act on behalf of the account holder, including perform transactions, are appointed by security officers as described in more detail in "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", Section 2 b).

#### **b) Directly Connected Parties (DCPs)**

Directly Connected Parties (DCPs) have access to the T2S functionalities via T2S. T2S includes a number of user profiles that have been predefined by Danmarks Nationalbank and give access to various T2S functionalities, as described in more detail at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)). Some functions have certain optional settings, e.g. the "4-eyes principle". Danmarks Nationalbank and/or the 4CBs may at any time make changes to these user profiles and settings, and hence to the functionalities of T2S, including by adding new user profiles and settings.

The authorised signatories authorise a maximum of two administrator users, using the form "Request for DCP Access to T2S", who have access, individually, to perform transactions via T2S, including transactions on behalf of and binding on the account holder, and to appoint other users with the same powers. Restrictions on the powers of administrator users can be imposed only by the individual administrator user deselecting one or more user profiles in T2S and determining settings applying to themselves.

The users at any time, appointed by administrator users or by subsequent users, also have access, individually, to perform transactions via T2S, including transactions on behalf of and binding on the account holder, and to appoint other users with the same powers. Restrictions on the powers

of a user can be imposed only by the individual administrator user or the individual user deselecting one or more user profiles in T2S and determining settings applying to an appointed user.

An administrator user and a user retain an assigned user profile with any changes made by Danmarks Nationalbank and/or the 4CBs to that user profile at any time.

An administrator user and a user may also delete or add one or more user profiles assigned to a person appointed by another administrator user or another user and delete or add any settings applying to these users.

Administrator users and users may be appointed only for accounts belonging to the account holder who is bound by the signatures of the authorised signatories.

To revoke the authorisation of administrator users, use the form "Revocation of authorisation to administrator users".

Danmarks Nationalbank creates the administrator users appointed by the account holder in T2S. The account holder is responsible for the administration of administrator users and users, the user profiles assigned to the individual administrator users and users, including any changes to the user profiles assigned, and the settings determined for these profiles. Thus, Danmarks Nationalbank has no responsibility in this regard.

#### 4. Establishment of a Settlement Account

A Settlement Account is established after written application to Danmarks Nationalbank, using the form "Request for a T2S- Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank".

Establishment of a Settlement Account and participation in T2S settlement do not create a contractual relationship between the account holder and the Eurosystem or between the account holder and the 4CBs. Danmarks Nationalbank is regarded as a provider of services under these Terms and Conditions, including acts and omissions of the 4CBs. Instructions, messages or information which a participant receives from or sends to the T2S Platform in relation to the services provided under these Terms and Conditions are deemed to have been received from or sent to Danmarks Nationalbank.

#### 5. Linked current account

It is not a condition for the establishment of a Settlement Account that the participant holds a current account in Danish kroner at Danmarks Nationalbank. If the participant does not hold a current account in Danish kroner, the Settlement Account must be linked to a current account held by another account holder. The participant must inform Danmarks Nationalbank of the name of the other account holder. The holder of the linked current account must accept this by signing the form "Request for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank".

Agreements on linking of current accounts held by other account holders are made bilaterally between the parties involved and are without liability for Danmarks Nationalbank.

Any end-of-day balance in the Settlement Account is automatically transferred to the linked current account, cf. Section 15.

If the holder of the current account to which the Settlement Account is linked ceases to be a current account holder, the participant must immediately designate a new current account to which the Settlement Account is to be linked, using the form "Change of Current Account Linked to a T2S-Dedicated Cash Account (DCA) in Danish kroner at Danmarks Nationalbank". Until a new current account has been designated, any funds in the Settlement Account at the end of the day shall be transferred to an account with Danmarks Nationalbank. Danmarks Nationalbank shall not be liable for any losses incurred by the holder of the Settlement Account as a consequence of the original current account holder ceasing to be a current account holder.

## 6. Termination of a Settlement Account

Danmarks Nationalbank is entitled to terminate the Settlement Account at any time and without notice and require the immediate repayment of any outstanding amount. If the outstanding amount is not repaid, Danmarks Nationalbank is entitled without notice to enforce its collateral rights in the collateral pledged by the account holder.

The account holder is entitled to terminate its Settlement Account, provided that all obligations arising from the use of the Settlement Account have been fulfilled.

If the Settlement Account is terminated, and thus the account holder's participation in T2S settlement, Danmarks Nationalbank is authorised to notify other central banks, other DCA holders, current account holders and all other relevant parties and authorities accordingly. In the event of the opening of insolvency proceedings in respect of the account holder, Danmarks Nationalbank will make this information available on the T2S platform in accordance with the T2S User Guidelines.

## 7. Transactions

Transactions of any kind to the Settlement Account shall take place in the name of the account holder.

The Settlement Account may be used only for transactions in Danish kroner.

The balance of the Settlement Account must be zero or positive.

Via Kronos2 or, if the account holder is a DCP, via T2S, the account holder may establish standing orders under which amounts are transferred as described below.

The Settlement Account may be used only on banking days from 7:30 pm until 4:20 pm.

The holder of the Settlement Account can make the following transactions:

- transfers from the account holder's current account to T2S-DCAs
- transfers from the Settlement Account to a current account
- settlement of cash instructions stemming from the T2S Platform.

In addition, a DCP can make the following transactions via T2S:

- transfers between the account holder's own Settlement Accounts.

Drawing on the Settlement Account, including standing orders, may take place only if there are sufficient funds.

The T2S Platform determines the timestamp for the processing of payment orders on the basis of the time when it receives and accepts the payment order.

## 8. Reservation and blocking of liquidity

Via T2S, a DCP can exercise the functions relating to reservation and blocking of liquidity in the Settlement Account described in detail in T2S Technical and Functional Documents.

## 9. Information about account relationship, etc.

Section 16 "Statement of Account" of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" applies. The following also applies:

Balance information for the Settlement Account is available via Kronos2. Entry information for the Settlement Account is available via Kronos2 at around 8:00 am, 2:00 pm, 4:00 pm and 6:00 pm.

DCPs have access to obtain a number of reports, including balance and entry information, directly from T2S as described in more detail in T2S Technical and Functional Documents.

## 10. Moment of entry, moment of irrevocability

### **Liquidity transfer orders**

For the purposes of Title X, Part 31, of the Danish Capital Markets Act, T2S-DCAs to T2S-DCAs liquidity transfer orders, from the Settlement Account to a current account and from the account holder's current account to T2S-DCAs, are deemed entered into and are irrevocable in Kronos2 and any other relevant systems at the moment that the relevant accounts are debited.



## Transactions

For all transactions settling on T2S-DCAs and which are subject to matching of two separate transfer orders, such transfer orders are deemed entered into Kronos2 and any other relevant systems at the moment at which they have been declared compliant with the technical rules of T2S by the T2S Platform and irrevocable at the moment the transactions have been given the status "matched" on the T2S Platform.

As an exception hereto, for transactions involving a T2S-participating CSD with a separate matching component where transfer orders are sent directly to that participating CSD to be matched in its separate matching component, such transfer orders are deemed entered into Kronos2 and any other relevant systems at the moment at which they have been declared compliant with the technical rules of T2S by that participating CSD and irrevocable from the moment the transaction has been given the status "matched" on the T2S Platform. A list of CSDs to which this applies is available at the website of the European Central Bank ([www.ecb.europa.eu](http://www.ecb.europa.eu)).

## 11. Access to the Settlement Account for others than the account holder

The holder of the Settlement Account can give other entities (clients) access to use the Settlement Account, including draw on the Settlement Account, for the purpose of settling the cash leg of the client's securities-related T2S transactions and execution of the client's periodic payments.

If the account holder is a DCP, the account holder can register the client's access to draw on the Settlement Account in T2S. The account holder does not notify Danmarks Nationalbank of such registration. Via the CMB, the account holder can register limits for the transactions the client can perform in respect of the Settlement Account as described in T2S Technical and Functional Documents.

Using the form "Request for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank", the account holder can inform Danmarks Nationalbank that a client is authorised to draw on the Settlement Account. In such cases, the client must accept being designated as a client by signing the same form. Danmarks Nationalbank then registers the client in T2S. The account holder cannot set limits for the transactions the client can perform in respect of the Settlement Account via Danmarks Nationalbank.

If the Settlement Account in which the client has access to perform transactions is linked to a T2S Auto-collateralisation loan, and if there are insufficient funds in the Settlement Account to execute the client's purchases or periodic payments, the account holder automatically obtains a T2S-Auto-collateralisation loan in Danish kroner from Danmarks Nationalbank directly in T2S for the execution of the client's purchases/periodic payments. The limits registered by the DCP in T2S are taken into consideration when the need for and size of the loan are determined. The loan is granted in the same manner and subject to the same terms and conditions as intraday loans in connection with the execution of the account holder's own purchases and payments and as described in "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank". If the account holder has designated a custody account held by the client as a collateral providing custody account, the securities purchased by the client are used as collateral to the extent

that they are included in Danmarks Nationalbank's collateral basis; similarly, the custody account held by the client can be used as a collateral providing custody account in connection with the raising of T2S Auto-collateralisation loans for the execution of the client's as well as the account holder's purchases/periodic payments. The collateral providing custody account used in connection with the individual loans is determined on the basis of a predefined algorithm in the T2S system.

The intraday loan is granted by Danmarks Nationalbank to the account holder. Where the account holder has informed Danmarks Nationalbank of clients, and the account holder has not registered these clients in T2S itself, such clients must accept being designated as clients by signing "Request for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank" as clients, but Danmarks Nationalbank otherwise has no contractual relationship with the client. As collateral for the intraday loan, Danmarks Nationalbank accepts only assets to which the account holder (borrower) has the right of ownership. The account holder is thus obliged to ensure that the contractual relationship between the account holder and the client implies that the right of ownership to the assets, including assets from a collateral providing custody account held by the client that is pledged to Danmarks Nationalbank as collateral belong to the account holder at the time of pledging.

Agreements on access for the client to use the Settlement Account and access to designate a custody account held by the client as a collateral providing custody account are made bilaterally between the parties involved, and any resultant transactions are without liability for Danmarks Nationalbank. Any agreements and any outstanding amounts between the parties arising from intraday loans granted to the account holder in connection with the client's drawings on the Settlement Account are also of no concern to Danmarks Nationalbank.

## 12. Links between securities accounts and Settlement Accounts

The holder of the Settlement Account may request a T2S-participating CSD to link the holder's Settlement Account to one or more securities accounts.

Account holder holders linking a Settlement Account to securities accounts on behalf of clients are responsible for establishing and maintaining a list of linked securities accounts and, where relevant, the set-up of the client-collateralisation feature.

As a result of the request to a CSD, cf. above, the account holder is deemed to have given a mandate to the CSD where such linked securities accounts are maintained to debit the Settlement Account with the amounts resulting from securities transactions taking place on these securities accounts. This shall apply regardless of any agreements the account holder has with the CSD and/or the securities account holders.

The account holder shall inform the relevant CSD of any new holder of a securities account that is linked to the Settlement Account and that they accept, and of any changes related to the holders of securities accounts.

### 13. Account holders that have entered into agreements on the use of T2S Auto-collateralisation loans

"Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank" apply to account holders that have entered into agreements with Danmarks Nationalbank on the use of T2S Auto-collateralisation loans.

### 14. Registration of positions in connection with trades and periodic payments

T2S real-time and night-time settlement takes place at the times specified in T2S Technical and Functional Documents.

The account holder's positions are registered to its Settlement Account on an ongoing basis at the completion of the trades and periodic payments.

### 15. Emptying of the Settlement Account

At 4:20 pm, Danmarks Nationalbank empties the account holder's Settlement Account by transferring any balance at the time of transfer to the linked current account.

The Settlement Account may not hold any funds overnight. At the beginning and end of a banking day, the balance of the Settlement Account must be zero.

### 16. Liability

Section 10 "Liability" of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" applies.

The following also applies:

The account holder is not entitled, either directly or indirectly, to raise any claims against the Eurosystem in relation to T2S services used by Danmarks Nationalbank.

Under the Currency Participation Agreement (CPA), Danmarks Nationalbank shall indemnify and hold harmless the Eurosystem from any direct loss incurred as a result of the acts and omissions of the account holder in relation to T2S to the extent that such loss is not caused by (i) the Eurosystem's negligence; or (ii) any malfunction or failure in the technical infrastructure of the T2S Business Application to the extent the Eurosystem has not adopted those measures that are reasonably necessary to protect the infrastructure against such malfunction or failure. The Eurosystem shall not be responsible for any force majeure events or for the acts or omissions of third parties or network service providers. Danmarks Nationalbank's responsibility and liability are described in

the CPA. Danmarks Nationalbank's liability vis-à-vis the Eurosystem shall be limited to a maximum total amount of EUR 10,000,000 per calendar year.

The account holder shall be liable vis-à-vis Danmarks Nationalbank for any loss that Danmarks Nationalbank may be liable to pay to the Eurosystem according to the CPA as a result of the acts or omissions of the account holder.

## 17. Interest

The Settlement Account does not bear interest.

## 18. Payment

Payment for the use of services relating to the Settlement Account and T2S services comprise a monthly fee and a monthly consumption charge, based on the account holder's actual usage of T2S services.

The monthly fee is determined to achieve financing by the users of Danmarks Nationalbank's total costs of supporting the operation of/participation in T2S in Danish kroner. The fee is determined by Danmarks Nationalbank for 12 months at a time and is calculated in the 1st quarter of each year with effect from 1 April. The fee is collected in advance on the first banking day of each month. To determine the fee, Danmarks Nationalbank calculates the total costs for the year to be financed by the account holders (T2S participants) as well as the key for distribution of costs among the account holders.

The monthly consumption charge is determined by Danmarks Nationalbank for 12 months at a time and is calculated in the 1st quarter of each year with effect from 1 April. The consumption charge is collected on the first banking day of each month. The consumption charge is calculated by distributing the total amount charged to Danmarks Nationalbank by the European Central Bank for use of T2S services among the account holders (T2S participants), using a distribution key determined by Danmarks Nationalbank.

For a detailed description of the Kronos2 and T2S pricing principles, see Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

Establishment of a Settlement Account is free of charge. Danmarks Nationalbank reserves the right to charge a fee for the establishment of more than one Settlement Account for each participant.

Danmarks Nationalbank may at any time and without notice amend the rules and principles for determining the price for use of services relating to the Settlement Account and T2S services.

## 19. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

## 20. Commencement

These terms and conditions shall enter into force on 29 October 2018.

Copenhagen, 15 September 2018

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank

The undersigned hereby requests the establishment of a T2S-Dedicated Cash Account (DCA) in Danish kroner at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank" and "Terms and Conditions for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank".

Name of account holder: \_\_\_\_\_

Address \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Danish BIC 11 number: \_\_\_\_\_

Requested number  
for the DCA: \_\_\_\_\_

Linked to current account number:

(settlement account): \_\_\_\_\_

If the linked current account is held by a party other than the account holder (the institution requesting a T2S-DCA), the account holder and the relevant current account holder must have entered into an agreement to this effect, and the current account holder must sign this request.

Should corporate action payments be transferred to the linked current account on a regular basis when liquidity is credited to the T2S-DCA?  Yes  No (Check as appropriate)

Access to T2S Auto-collateralisation loans in Danish kroner:  Yes  No (Check as appropriate)

If the account holder requests access to T2S Auto-collateralisation loans, the following applies:

The undersigned is familiar with and by signing this request accepts "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank".

Upon redemption of the loan, securities used as collateral for T2S Auto-collateralisation loans and registered to the pledged regular custody account should be released to:

Custody account (release custody account): \_\_\_\_\_

At VP Securities A/S, the release custody account is marked as (check as appropriate):

VP custody account \_\_\_\_\_

T2S custody account \_\_\_\_\_

The following entities (the account holder and any clients not registered as clients in T2S by the DCP itself), designated as authorised BICs, have access to use the DCA, including to draw on the DCA:

Authorised BICs:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

## Acceptance from holder of linked current account

The undersigned current account holder accepts that our current account at Danmarks Nationalbank, stated below, is used as a linked current account, cf. "Terms and Conditions for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank", for the T2S-DCA held by the T2S-DCA holder stated below. Any funds in the T2S-DCA at the end of the day shall automatically be transferred to the linked current account. If chosen by the T2S-DCA holder, corporate action payments are transferred to the linked current account on a regular basis when liquidity is credited to the T2S-DCA.

Current account holder's name: \_\_\_\_\_

Current account number:

(Settlement account): \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Danish BIC 11 number: \_\_\_\_\_

T2S-DCA holder's name: \_\_\_\_\_

T2S-DCA number: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

For the current account holder:

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories



## Acceptance from clients designed by the account holder as authorised BICs

The undersigned accept that in this form "Request for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank", the T2S-DCA holder at Danmarks Nationalbank ("the Account Holder") stated below has designed us as "authorised BICs" ("clients") for the T2S-DCA stated below with access to use the account for the purpose of settling the cash leg of our securities-related T2S transactions and execution of periodic payments.

T2S-DCA holder's name: \_\_\_\_\_

T2S-DCA number: \_\_\_\_\_

If the T2S-DCA stated above, in which the client has access to perform transactions, is linked to a T2S Auto-collateralisation loan, the Account Holder and the Client may enter into an agreement to the effect that a securities account held by the Client may be designated as a collateral providing custody account at a CSD.

Designation of a securities account held by the Client as a collateral providing custody account entails inter alia:

- If the funds in the Settlement Account are insufficient to execute the Client's purchase, and Danmarks Nationalbank grants an intraday loan to the Account Holder to execute the purchase, the intraday loan is collateralised against the securities purchased to the extent that the securities are included in Danmarks Nationalbank's collateral basis. The securities are transferred to a custody account held by the Account Holder, which is pledged to Danmarks Nationalbank.
- Securities registered in the collateral providing custody account held by the Client may be transferred to a custody account held by the Account Holder, which is pledged to Danmarks Nationalbank as collateral for Danmarks Nationalbank's loan to the Account Holder for the execution of the Client's as well as the Account Holder's own trades and periodic payments in T2S.

Agreements on access to the T2S-DCA as a Client and access to designate a securities account held by the Client as a collateral providing custody account in as CSD are made bilaterally between the Account Holder and the Client and are without liability for Danmarks Nationalbank.

The legal consequences of being designated as a Client are described in detail in "Terms and Conditions for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank" and "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank".

The undersigned (Client(s)) declare(s) that we are familiar with and by signing this form accept the above.

The undersigned (Client(s)) enclose(s) (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Name of Client: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Client's authorised BIC: \_\_\_\_\_

Date: \_\_\_\_\_

Signatures of authorised signatories

Name of Client: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Client's authorised BIC: \_\_\_\_\_

Date: \_\_\_\_\_

Signatures of authorised signatories

Name of Client: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Client's authorised BIC: \_\_\_\_\_

Date: \_\_\_\_\_

Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Changes to Authorised BICs for a T2S-DCA in Danish Kroner at Danmarks Nationalbank

T2S-DCA holder's name: \_\_\_\_\_

T2S-DCA number: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Danish BIC 11 number: \_\_\_\_\_

### Addition of BICs

The undersigned T2S-DCA holder hereby notifies Danmarks Nationalbank that the following entities designated as authorised BICs have access to use our above-mentioned T2S-DCA in Danish kroner at Danmarks Nationalbank.

Entities previously designated as authorised BICs will continue as authorised BICs, unless Danmarks Nationalbank is notified that these are to be deleted (BICs to be deleted should be stated under "deletion of BICs").

Authorised BICs:

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The notification of addition of BICs takes effect when Danmarks Nationalbank has confirmed receipt of the notification.

For the DCA holder

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

### Acceptance from clients designed by the account holder as authorised BICs

The undersigned accept that in this form "Changes to Authorised BICs for a T2S-DCA in Danish Kroner at Danmarks Nationalbank", the T2S-DCA holder at Danmarks Nationalbank ("the account holder") stated below has designed us as authorised BICs ("Clients") for the T2S-DCA stated below with access to use the account for the purpose of settling the cash leg of our securities-related T2S transactions and execution of periodic payments.

T2S-DCA holder's name: \_\_\_\_\_

T2S-DCA number: \_\_\_\_\_

If the T2S-DCA stated above, in which the client has access to perform transactions, is linked to a T2S Auto-collateralisation loan, the Account Holder and the Client may enter into an agreement to the effect that a securities account held by the Client may be designated as a collateral providing custody account at a CSD. Designation of a securities account held by the Client as a collateral providing custody account entails inter alia:

- If the funds in the Settlement Account are insufficient to execute the Client's purchase, and Danmarks Nationalbank grants an intraday loan to the Account Holder to execute the purchase, the intraday loan is collateralised against the securities purchased to the extent that the securities are included in Danmarks Nationalbank's collateral basis. The securities are transferred to a custody account held by the Account Holder, which is pledged to Danmarks Nationalbank.
- Securities registered in the collateral providing custody account held by the Client may be transferred to a custody account held by the Account Holder, which is pledged to Danmarks Nationalbank as collateral for Danmarks Nationalbank's loan to the Account Holder for the execution of the Client's as well as the Account Holder's own trades and periodic payments in T2S.

Agreements on access to the T2S-DCA as a Client and access to designate a securities account held by the Client as a collateral providing custody account in as CSD are made bilaterally between the Account Holder and the Client and are without liability for Danmarks Nationalbank.

The legal consequences of being designated as a Client are described in detail in "Terms and Conditions for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank" and "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank".

The undersigned (Client(s)) declare(s) that we are familiar with and by signing this form accept the above.

The undersigned (Client(s)) enclose(s) (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Name of Client: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Client's authorised BIC: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

Name of Client: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Client's authorised BIC: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

Name of Client: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Client's authorised BIC: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

## Deletion of BICs

The undersigned DCA holder hereby notifies Danmarks Nationalbank that the following entities previously designated as authorised BICs shall not have access to use our below-mentioned T2S-DCA in Danish kroner at Danmarks Nationalbank in future.

Please delete the following Authorised BICs:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The notification of deletion of BICs takes effect when Danmarks Nationalbank has confirmed receipt of the notification.

For the T2S-DCA holder

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of the authorised signatory

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Change of Current Account Linked to a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank

The undersigned T2S-DCA holder hereby requests that the following current account be linked to our T2S-DCA in Danish kroner at Danmarks Nationalbank, stated below, in future.

T2S-DCA holder's name: \_\_\_\_\_

Address \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Danish BIC 11 number: \_\_\_\_\_

T2S-DCA number: \_\_\_\_\_

Currently linked to current account number:

(settlement account): \_\_\_\_\_

To be linked to current account number in future:

(settlement account): \_\_\_\_\_

For the T2S-DCA holder

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

## Acceptance from holder of linked current account

The undersigned current account holder accepts that our current account at Danmarks Nationalbank, stated below, is used as a linked current account, cf. "Terms and Conditions for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank", for the T2S-DCA held by the T2S-DCA holder stated below. Any funds in the T2S-DCA at the end of the day shall automatically be transferred to the linked current account. If chosen by the T2S-DCA holder, corporate action payments are transferred to the linked current account on a regular basis when liquidity is credited to the T2S-DCA.

Current account holder's name: \_\_\_\_\_

Current account number:

(Settlement account): \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Danish BIC 11 number: \_\_\_\_\_

T2S-DCA holder's name: \_\_\_\_\_

T2S-DCA number: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

For the current account holder:

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories



Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Changes relating to a T2S-Dedicated Cash Account (DCA) in Danish kroner at Danmarks Nationalbank

The undersigned T2S-DCA holder hereby notifies Danmarks Nationalbank of the following changes relating to our T2S-DCA in Danish kroner at Danmarks Nationalbank, stated below.

T2S-DCA holder's name: \_\_\_\_\_

Address \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Danish BIC 11 number: \_\_\_\_\_

T2S-DCA number: \_\_\_\_\_

Should corporate action payments be transferred to the linked current account on a regular basis when liquidity is credited to the T2S-DCA?  Yes  No (Check as appropriate)

Access to T2S Auto-collateralisation loans in Danish kroner:  Yes  No (Check as appropriate)

If the account holder requests access to T2S Auto-collateralisation loans, the following applies:

The undersigned is familiar with and by signing this request accepts "Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank".

Upon redemption of the loan, securities used as collateral for T2S Auto-collateralisation loans and registered to the pledged regular custody account should be released to:

Custody account (release custody account): \_\_\_\_\_

At VP Securities A/S, the release custody account is marked as (check as appropriate):

VP custody account \_\_\_\_\_

T2S custody account \_\_\_\_\_

For the T2S-DCA holder

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Request for DCP access to T2S

The undersigned hereby requests the establishment of DCP access (Directly Connected Party) to T2S through Danmarks Nationalbank.

Name of account holder: \_\_\_\_\_

Identity/name abbreviation: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

Danish BIC 11 number: \_\_\_\_\_

The terms and conditions for connection to and use of T2S can be found at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)) and the European Central Bank's website ([www.ecb.europa.eu](http://www.ecb.europa.eu)). The undersigned is familiar with and is at all times obliged to keep up to date with these terms and conditions.

Use of T2S is the responsibility of the account holder and takes place at the latter's own risk and account. The account holder is liable for any loss arising from use and misuse in this respect.

Will the account holder use an A2A connection?  Yes  No (Check as appropriate)

Technical addresses and network service name:

Technical addresses:

Network service name:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(continued on reverse)

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |

Default routing (start setup)

Technical addresses:

Network service name:

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Administrator user on the T2S platform:

The account holder authorises the following persons as administrator users who have access, in accordance with the terms and conditions laid down by Danmarks Nationalbank at any time, individually, to perform transactions via T2S, including transactions on behalf of and binding on the account holder, and to appoint other users and determine the transactions etc. that these users may perform, and determine any settings to apply to these users.

This power of attorney is in force until it has been revoked in writing using the form "Revocation of Authorisation to Administrator Users" and Danmarks Nationalbank has confirmed receipt of the form.

Should the "4-eyes principle" be applied when creating users and assigning or changing user rights?

- Yes
  - No
- (Check as appropriate)

If the answer is "Yes", creating two administrator users is compulsory. If the answer is "No", one is sufficient, but two are allowed.

Administrator user 1:

Desired login for administrator user 1: \_\_\_\_\_

Full name of administrator user 1: \_\_\_\_\_

System user reference for administrator user 1: \_\_\_\_\_

Certificate distinguished name of administrator user 1: \_\_\_\_\_

Administrator user 2:

Desired login for administrator user 2: \_\_\_\_\_

Full name of administrator user 2: \_\_\_\_\_

System user reference for administrator user 2: \_\_\_\_\_

Certificate distinguished name of administrator user 2: \_\_\_\_\_

The undersigned encloses (i) documentation of rights of signature and authorised signatories and (ii) specimens of the signatures of the authorised signatories.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Revocation of Authorisation to Administrator Users

T2S account holder's name: \_\_\_\_\_

The account holder hereby revokes the authorisation granted to the following administrator user.

Name of administrator user: \_\_\_\_\_

System user reference for administrator user: \_\_\_\_\_

Login for administrator user: \_\_\_\_\_

The revocation takes effect when Danmarks Nationalbank has confirmed receipt of the notification.

The users appointed by the administrator user as users are not affected by the revocation but will continue as users and will still be able to perform transactions on behalf of the account holder.

For the account holder:

Signatures of authorised signatories

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank

Terms and Conditions for the Use of T2S Auto-Collateralisation Loans in Danish Kroner at Danmarks Nationalbank apply to the account holder's raising of intraday loans in Danish kroner for the purchase of securities and execution of periodic payments in T2S against collateral in the securities purchased or other securities. The loan is granted by Danmarks Nationalbank and must be covered at the end of Danmarks Nationalbank's monetary policy day.

## 1. Access to use T2S Auto-collateralisation loans

Danmarks Nationalbank grants access to use T2S Auto-collateralisation loans to account holders that hold a current account at Danmarks Nationalbank, and thus have access to intraday loans, and have established a T2S-DCA (Settlement Account) at Danmarks Nationalbank. The requirements, including technical requirements for account holders to use T2S auto-collateralisation loans, also follow from T2S Technical and Functional Documents.

## 2. Establishment of securities accounts for T2S Auto-collateralisation loans

To be granted access to use T2S Auto-collateralisation loans, the account holder must sign a deed of pledge of the account holder's receiving and regular custody accounts to Danmarks Nationalbank.

It is also a precondition that the account holder has at least one collateral providing custody account from which securities can be transferred to the pledged receiving custody account, cf. Section 3. Collateral providing custody accounts may be registered at VP Securities A/S or another CSD participating in T2S that has established a link to VP Securities A/S. The ownership of the securities registered at any time on the Collateral providing custody account must belong to the account holder. If the account holder has specified an account belonging to a client as a collateral providing custody account, the ownership of the securities registered at the Collateral providing custody account at any time shall belong to the client, cf., however, section 11 in "Terms and conditions for a T2S-Dedicated Cash Account in Danish kroner at Danmarks Nationalbank", according to which the ownership of the securities arising from a collateral providing custody account belonging to the client, and which is pledged to Danmarks Nationalbank, shall belong to the account holder at the time of the pledge.

The account holder must also have designated a custody account, to which Danmarks Nationalbank has the necessary power of attorney, to which securities transferred to the pledged regular custody account can be released after the redemption of intraday loans as described in more detail in Section 3. This custody account must be registered at VP Securities A/S.

### 3. Use of T2S Auto-collateralisation loans

#### **Raising of T2S Auto-collateralisation loans in Danish kroner directly in T2S against collateral in the securities purchased or other securities**

Account holders stating in "Request for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank" that they request access to T2S Auto-collateralisation loans in Danish kroner have thereby entered into an agreement with Danmarks Nationalbank on the use of T2S Auto-collateralisation loans and can obtain credit facilities in Danish kroner from Danmarks Nationalbank for T2S settlement in Danish kroner directly in T2S, using T2S Auto-collateralisation loans.

Where the account holder submits a purchase instruction or an instruction for the disbursement of interest and instalments (periodic payments) in T2S and the account holder's balance in the Settlement Account is less than the price of the securities included in the purchase instruction or the periodic payments to be executed, the account holder automatically obtains a loan from Danmarks Nationalbank directly in T2S. In connection with purchase instructions, the loan is collateralised against the securities purchased, provided that the securities are included in Danmarks Nationalbank's collateral basis, cf. "Terms and Conditions for Pledging of Collateral for Credit Facilities in Danish Kroner at Danmarks Nationalbank". A portion of the securities purchased, corresponding to the difference between the balance of the Settlement Account and the collateral value of the securities purchased, is transferred to the account holder's receiving custody account pledged to Danmarks Nationalbank.

In connection with the execution of periodic payments, or to the extent that the securities purchased are not included in Danmarks Nationalbank's collateral basis, the loan granted by Danmarks Nationalbank is collateralised against eligible securities registered to one or more of the collateral providing custody accounts designated by the account holder. The account holder accepts that a portion of the securities held in one or more collateral providing custody accounts with a collateral value corresponding to the account holder's borrowing need is transferred to the account holder's receiving custody account pledged to Danmarks Nationalbank as collateral for the loan. If the account holder has designated more than one collateral providing custody account, including collateral providing custody accounts held by clients, a predefined T2S algorithm determines the collateral providing custody accounts to be used in connection with the raising of the individual loans.

The loan proceeds, corresponding to the collateral value of the securities pledged, are then transferred to the account holder's Settlement Account for the execution of the purchase or disbursement of periodic payments.

#### **Redemption of T2S Auto-collateralisation loans in Danish kroner raised directly in T2S**

The T2S Auto-collateralisation loan granted by Danmarks Nationalbank must be redeemed by 4:10 pm.

When the loan is redeemed, the pledged assets registered to the account holder's receiving custody account are released and transferred to the same collateral providing custody account from which the pledged assets were transferred to the receiving custody account.



If, at 4:05 pm, the balance of the Settlement Account is insufficient to cover the outstanding T2S Auto-collateralisation loan, Danmarks Nationalbank is authorised to debit the account holder's current account (settlement account) with an amount corresponding to the difference and transfer the amount to the Settlement Account. The balance of the Settlement Account at 4:10 pm is then used to redeem the T2S Auto-collateralisation loan granted in T2S.

*Raising of intraday loans in Kronos2 for redemption of T2S Auto-collateralisation loans raised directly in T2S – collateralised against assets in the collateral list*

If, at 4:05 pm, the account holder's intraday loan granted in T2S exceeds the balance of the Settlement Account as well as of the current account (settlement account), Danmarks Nationalbank is authorised to debit the account holder's current account (loan account) with an amount corresponding to the difference, entailing that the account holder is granted an intraday loan in Kronos2. The loan is collateralised against assets in the account holder's collateral list. The loan proceeds are credited to the Settlement Account and used immediately afterwards to redeem the T2S Auto-collateralisation loan.

*Raising of intraday loans in Kronos2 for redemption of T2S Auto-collateralisation loans raised directly in T2S – collateralised against assets in the regular custody account*

If, at 4:05 pm, it has not been possible to redeem the account holder's T2S Auto-collateralisation loan in full, in accordance with the procedure described above, because the account holder has insufficient funds in the Settlement Account, the current account (settlement account) and/or insufficient excess collateral in the collateral list, at 4:10 pm, Danmarks Nationalbank is authorised to debit the account holder's current account (loan account) with an amount corresponding to the portion of the account holder's intraday loan which has not been covered, entailing that the account holder is granted an intraday loan in Kronos2. Danmarks Nationalbank is also authorised, no later than at the time of granting this intraday loan in Kronos2, to transfer the account holder's pledged securities from the receiving custody account to the account holder's regular custody account, which is also pledged to Danmarks Nationalbank. Thus, the intraday loan is collateralised against the account holder's assets in the regular custody account included in the account holder's collateral list. The regular custody account cannot be used as collateral for other borrowing purposes. The loan proceeds are credited to the Settlement Account and used immediately afterwards to redeem the T2S Auto-collateralisation loan.

To the extent that the total collateral value of the account holder's other collateral in the collateral list, less the outstanding intraday loan and the credit line for the Express Clearing, is at some later time sufficient to cover the intraday loan collateralised against securities in the regular custody account, the pledged assets in the regular custody account will be released and transferred to the custody account registered at VP Securities A/S, designated by the account holder in "Request for a T2S-Dedicated Cash Account (DCA) in Danish Kroner at Danmarks Nationalbank" as the custody account to which the released securities are to be transferred.

As regards account holders issuing ROs, SDOs or SDRs whose maturity is shorter than the maturities of the underlying loans, the account holder may not place bonds issued by the account holder in connection with a refinancing auction (new bonds) in the collateral providing securities account earlier than on the last banking day before the settlement day when the maturing bonds are re-

deemed. This also applies to securities acquired by the issuer with the proceeds from the sale of new bonds.

#### 4. Deadline for redemption of intraday loans raised in Kronos2 and used to redeem T2S Auto-collateralisation loans raised directly in T2S

The account holder is obliged to redeem intraday loans raised in Kronos2 and used to redeem T2S Auto-collateralisation loans, cf. Section 3 above, by 4:45 pm on the same settlement day. Reference is also made to "Terms and Conditions for a Current Account at Danmarks Nationalbank", Section 7.

#### 5. Substitution of collateral pledged to Danmarks Nationalbank in connection with the raising of T2S Auto-collateralisation loans

If the account holder wishes to sell securities pledged to Danmarks Nationalbank in connection with the raising of T2S Auto-collateralisation loans, Danmarks Nationalbank is authorised to substitute the collateral pledged (by transfer of eligible securities from the automatic collateralisation account to the receiving custody account) and/or debit the Settlement Account and redeem the T2S Auto-collateralisation loan, provided that there are sufficient funds in the Settlement Account. Substitution of VP-registered assets in the receiving custody account may take place until 4:10 pm by transfer of new VP-registered assets to the receiving custody account, followed by withdrawal of assets previously transferred, provided that the difference between the account holder's outstanding T2S Auto-collateralisation loan and the collateral value of the assets held in the receiving custody account does not become negative. The account holder may not substitute assets in the regular custody account.

#### 6. Other terms and conditions

Reference is also made to "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank".

#### 7. Commencement

These terms and conditions shall enter into force on 1 October 2020.

Copenhagen, 1 October 2020

**Danmarks Nationalbank**

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank in Connection with Settlement on the T2S Platform – Pledging of a Receiving Custody Account

Name of pledgor: \_\_\_\_\_

Address of pledgor: \_\_\_\_\_

LEI code of pledgor: \_\_\_\_\_

The pledgor is the registered holder of VP Account number \_\_\_\_\_ registered in T2S ("the Account") and hereby pledges the Account, as well as the securities registered to the Account at any time, to Danmarks Nationalbank as collateral for any debt owing now or in the future to Danmarks Nationalbank.

At the same time, we declare that we have and will have the right of ownership of the securities registered to the Account at any time, and that no limited rights or other rights concerning these securities have been or will be granted to any third party.

The pledge includes proceeds from early redemption of and interest on the securities registered to the Account which fall due before the date of realisation. Redeemed amounts and interest in Danish kroner are credited to our Yield Account number \_\_\_\_\_ at Danmarks Nationalbank and any redeemed amounts and interest in euro are credited to our Yield Account number \_\_\_\_\_ at Danmarks Nationalbank ("Yield Accounts"). The Yield Accounts and the balance of these accounts at any time are pledged to Danmarks Nationalbank as collateral for any debt owing now or in the future to Danmarks Nationalbank.

As the registered holder of the Account we hold power of attorney to request information concerning the Account. The power of attorney to request information does not entail any right to dispose of the pledged assets. Any transaction concerning the Account and/or securities registered thereto may be undertaken solely by Danmarks Nationalbank as the pledgee and account-holding institution.

Should Danmarks Nationalbank wish to enforce its collateral rights in the securities registered to the Account, Danmarks Nationalbank shall be entitled without prior legal action or prior notice to realise such securities in the manner determined by Danmarks Nationalbank. Furthermore, Danmarks Nationalbank shall be entitled to take over ownership of the securities so pledged.

As the account-holding institution, Danmarks Nationalbank shall notify this deed of pledge to VP Securities A/S for registration of Danmarks Nationalbank as the registered holder of rights concerning the Account and the securities registered to the Account at any time.

All matters concerning this pledge and all matters concerning this deed of pledge shall be subject to Danish law. Any disputes shall be settled before the legal venue of Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

## Deed of Pledge for Credit Facilities in Danish Kroner at Danmarks Nationalbank in Connection with Settlement on the T2S Platform – Pledging of a Regular Custody Account

Name of pledgor: \_\_\_\_\_

Address of pledgor: \_\_\_\_\_

LEI code of pledgor: \_\_\_\_\_

The pledgor is the registered holder of VP Account number \_\_\_\_\_ registered in T2S ("the Account") and hereby pledges the Account, as well as the securities registered to the Account at any time, to Danmarks Nationalbank as collateral for any debt owing now or in the future to Danmarks Nationalbank.

At the same time, we declare that we have and will have the right of ownership of the securities registered to the Account at any time, and that no limited rights or other rights concerning these securities have been or will be granted to any third party.

The pledge includes proceeds from early redemption of and interest on the securities registered to the Account which fall due before the date of realisation. Redeemed amounts and interest in Danish kroner are credited to our Yield Account number \_\_\_\_\_ at Danmarks Nationalbank and any redeemed amounts and interest in euro are credited to our Yield Account number \_\_\_\_\_ at Danmarks Nationalbank ("Yield Accounts"). The Yield Accounts and the balance of these accounts at any time are pledged to Danmarks Nationalbank as collateral for any debt owing now or in the future to Danmarks Nationalbank.

As the registered holder of the Account we hold power of attorney to request information concerning the Account. The power of attorney to request information does not entail any right to dispose of the pledged assets. Any transaction concerning the Account and/or securities registered thereto may be undertaken solely by Danmarks Nationalbank as the pledgee and account-holding institution.

Should Danmarks Nationalbank wish to enforce its collateral rights in the securities registered to the Account, Danmarks Nationalbank shall be entitled without prior legal action or prior notice to realise such securities in the manner determined by Danmarks Nationalbank. Furthermore, Danmarks Nationalbank shall be entitled to take over ownership of the securities so pledged.

As the account-holding institution, Danmarks Nationalbank shall notify this deed of pledge to VP Securities A/S for registration of Danmarks Nationalbank as the registered holder of rights concerning the Account and the securities registered to the Account at any time.

All matters concerning this pledge and all matters concerning this deed of pledge shall be subject to Danish law. Any disputes shall be settled before the legal venue of Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories

# Fax Forms for Contingency Procedures in relation to Danish Kroner

1. Request for Transfer from a Current Account (Settlement Account) in Danish Kroner at Danmarks Nationalbank
2. Request for Purchase of Certificates of Deposit
3. Request for Sale of Certificates of Deposit
4. Request to Raise a Monetary Policy Loan
5. Request for Withdrawal of Assets from and Placement of Assets in a VP Account Pledged for Credit Facilities in Danish Kroner at Danmarks Nationalbank
6. Request for Transfer from CLS Settlement Account in Danish Kroner at Danmarks Nationalbank to CLS's Settlement Account in Danish Kroner at Danmarks Nationalbank
7. Request for Transfer from a Settlement Account in Danish Kroner at Danmarks Nationalbank

## **Fax forms for contingency procedures in euro:**

See Appendix X to

- Harmonised Conditions for Opening and Operation of a PM Account in TARGET2-Danmark

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

Fax: +45 33 63 71 17

Email: Kronosgroup@nationalbanken.dk

## Request for Transfer from a Current Account (Settlement Account) in Danish Kroner at Danmarks Nationalbank

Pursuant to Section 5 of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", Danmarks Nationalbank is requested to transfer the following amount(s).

Date of transfer: \_\_\_\_\_

From current account no.

(settlement account): \_\_\_\_\_

Name and BIC of account holder (sender): \_\_\_\_\_

Direct tel. no.: \_\_\_\_\_

| To BIC* | To current account holder's (recipient's) name* | Amount* |
|---------|---|---------|
|         |   |         |
|         |   |         |
|         |   |         |
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| To our settlement account no.* | Amount* |
|--------------------------------|---------|
|                                |         |
|                                |         |
|                                |         |

\* mandatory field.

Date: \_\_\_\_\_

Binding signatures



Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

Fax: +45 33 63 71 17

Email: Kronosgroup@nationalbanken.dk

## Request for Purchase of Certificates of Deposit

Settlement date: \_\_\_\_\_

To our certificate of deposit account, please transfer nom. kr.: \_\_\_\_\_

of series no.: \_\_\_\_\_

from the certificate of deposit account of the seller (name and BIC): \_\_\_\_\_

For the transfer, please debit our current account (settlement account) no.: \_\_\_\_\_

with kr.: \_\_\_\_\_

and credit the seller's current account (settlement account) no.: \_\_\_\_\_

Name and BIC of purchaser (sender): \_\_\_\_\_

Direct tel. no.: \_\_\_\_\_

Date: \_\_\_\_\_

Binding signatures

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

Fax: +45 33 63 71 17

Email: Kronosgroup@nationalbanken.dk

## Request for Sale of Certificates of Deposit

Settlement date: \_\_\_\_\_

From our certificate of deposit account, please transfer nom. kr.: \_\_\_\_\_

of series no.: \_\_\_\_\_

to the certificate of deposit account of the seller (name and BIC): \_\_\_\_\_

For the transfer, please credit our current account (settlement account) no.: \_\_\_\_\_

with kr.: \_\_\_\_\_

and debit the purchaser's current account (settlement account) no.: \_\_\_\_\_

Name and BIC of seller (sender): \_\_\_\_\_

Direct tel. no.: \_\_\_\_\_

Date: \_\_\_\_\_

Binding signatures

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

Fax: +45 33 63 71 17

Email: Kronosgroup@nationalbanken.dk

## Request to Raise a Monetary Policy Loan

Settlement date: \_\_\_\_\_

We request a monetary policy loan for kr.: \_\_\_\_\_

to be credited to our current account (settlement account) no.: \_\_\_\_\_

in series no.: \_\_\_\_\_

maturing on: \_\_\_\_\_

and at the following rate of interest: \_\_\_\_\_

Non-standard terms – as agreed with Danmarks Nationalbank – (indicate by X)

Name and BIC of borrower (sender): \_\_\_\_\_

Direct tel. no.: \_\_\_\_\_

Date: \_\_\_\_\_

Binding signatures

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

Fax: +45 33 63 71 17

Email: Kronosgroup@nationalbanken.dk

## Request for Withdrawal of Assets from and Placement of Assets in a VP Account Pledged for Credit Facilities in Danish Kroner at Danmarks Nationalbank

Date of transfer: \_\_\_\_\_

Name and BIC of account holder (sender): \_\_\_\_\_

Indicate by X:

Placement in pledged VP account:

Danmarks Nationalbank is requested to transfer the securities listed below to our pledged VP account.

Withdrawal from pledged VP account:

Danmarks Nationalbank is requested to withdraw the following securities pledged by us and transfer them to the VP account already assigned by us and registered in Kronos2.

| ISIN code: | Nominal amount: |
|------------|-----------------|
|            |                 |
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|            |                 |

Date: \_\_\_\_\_

Binding signatures

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

Fax: +45 33 63 71 17

Email: Kronosgroup@nationalbanken.dk

## Request for Transfer from CLS Settlement Account in Danish Kroner at Danmarks Nationalbank to CLS's Settlement Account in Danish Kroner at Danmarks Nationalbank

Pursuant to Section 5 of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", Danmarks Nationalbank is requested to transfer the following amount(s).

Date of transfer: \_\_\_\_\_

From CLS settlement account no.: \_\_\_\_\_

Current account no. (settlement account): \_\_\_\_\_

Name and BIC of account holder (sender): \_\_\_\_\_

Direct tel. no.: \_\_\_\_\_

### Contingency Procedure:

Indicate by X\*

Normal CLS contingency procedure

Extreme Contingency Facility (ECF)

Used only when Danmarks Nationalbank announces that the ECF will be commissioned. In this case, Danmarks Nationalbank will make the transfer from the participant's current account (settlement account) instead of the participant's CLS settlement account.

### Payment type:

Danmarks Nationalbank announces which of the following payment types the participant must use in the specific contingency situation

Indicate by X\*

Single payments

All payments are made individually

- Bulk payment

The Nostro participant collects all amounts into one payment. The Nostro sends specification of the payment to CLS

- One shot payment

Each settlement member makes one payment on the total amount of the day. The Nostro forwards each payment to Danmarks Nationalbank

| To CLS (BIC)* | Amount* | Recipient (BIC)** |
|---------------|---------|-------------------|
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|               |         |                   |

\* mandatory field

\*\* must be completed for Single payments and One shot payments

Date: \_\_\_\_\_

Binding signatures

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
2100 Copenhagen Ø

Fax: +45 33 63 71 17

Email: Kronosgroup@nationalbanken.dk

## Request for Transfer from a Settlement Account in Danish Kroner at Danmarks Nationalbank

Pursuant to Section 5 of "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner at Danmarks Nationalbank", Danmarks Nationalbank is requested to transfer the following amount(s).

Date of transfer: \_\_\_\_\_

From settlement account no.: \_\_\_\_\_

Name and BIC of account holder (sender): \_\_\_\_\_

Direct tel. no.: \_\_\_\_\_

| To our current account (settlement account) no.* | Amount* |
|--|---------|
|  |         |

| To our settlement account no.* | Amount* |
|--------------------------------|---------|
|                                |         |
|                                |         |
|                                |         |

\* mandatory field

Date: \_\_\_\_\_

\_\_\_\_\_

Binding signatures

# SETTLEMENT OF PAYMENTS IN EURO

## Contents

Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank

Appendix 1 – Technical specifications for the processing of cash transfer orders

Appendix 2 – TARGET compensation scheme

Appendix 3 – Terms and reference for capacity and country opinions

Appendix 4 – Business continuity and contingency procedures

Appendix 4.a – Supplementary provisions concerning contingency procedures

Appendix 5 – TARGET operating schedule

Appendix 6 – Fee schedule

Appendix 7 – Requirements regarding information security management and business continuity management

Appendix 8 – Definitions

Request for MCA(s) (Main Cash Account(s)) and RTGS DCA(s) (Real-Time Gross Settlement Dedicated Cash Account(s)) in euro at Danmarks Nationalbank

Request for T2S DCA(s) (TARGET2-Securities Dedicated Cash Account(s)) in euro at Danmarks Nationalbank

Request for TIPS DCA(s) (TIPS Dedicated Cash Account(s)) in euro at Danmarks Nationalbank

Power of attorney for decisions concerning contingency procedures in TARGET-Danmark

Request for activation of T2 contingency procedure

Request for contingency transfer to CLS, EURO1 etc. (very critical payments)

Request for transfer from MCA/RTGS DCA (critical payments)



# Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank

## Part I General terms and conditions

### **Article 1 – Scope**

The terms and conditions set out in this Part I govern the relationship between Danmarks Nationalbank and participants in TARGET-Danmark. The terms and conditions set out in Parts II, III, IV, V, VI and VII apply as far as participants opt for and are granted one or more of the accounts described in these Parts. The terms and conditions set out in Parts I to VII of these harmonised conditions are referred to below as the 'Harmonised Conditions', the 'Conditions' or 'These Conditions'.

### **Article 2 – Appendices**

1. The following Appendices form an integral part of these Conditions:

|             |   |
|-------------|---|
| Appendix 1: | Technical specifications for the processing of cash transfer orders                       |
| Appendix 2: | TARGET compensation scheme  |
| Appendix 3: | Terms of reference for capacity and country opinions                                      |
| Appendix 4: | Business continuity and contingency procedures  |
| Appendix 5: | TARGET operating schedule   |
| Appendix 6: | Fee schedule  |
| Appendix 7: | Requirements regarding information security management and business continuity management |
| Appendix 8: | Definitions   |

In the event of any conflict or inconsistency between the content of any appendix and the content of any other provision in these Conditions, the latter shall prevail.

### **Article 3 – General description of TARGET**

1. TARGET is legally structured as a multiplicity of payment systems composed of all TARGET component systems, each of which is designated as a 'system' under Part 31 of the Danish Capital Markets Act (Kapitalmarkedsloven) (Consolidated Act no. 2014 of 1 November 2021), implementing Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.

2. TARGET comprises payment systems in euro that settle in central bank money, provide central liquidity management services, real-time gross settlement for payments and services for ancillary system (AS) settlement, and enable cash payments in relation to securities settlement and the settlement of instant payments.
3. TARGET provides the following:
  - (a) MCAs for the settlement of central bank operations;
  - b) RTGS DCAs for large-value real-time gross settlement of payments and sub-accounts if required for AS settlement;
  - c) T2S DCAs for the settlement of payments in relation to securities settlement;
  - d) TIPS DCAs for the settlement of instant payments; and
  - (e) the following accounts for AS settlement: (i) RTGS AS technical accounts; (ii) AS guarantee fund accounts; and (iii) TIPS AS technical accounts.

Each account in TARGET-Danmark shall be identified by means of a unique account number made up of the elements described in Appendix 1, paragraph 2.

#### **Article 4 – Access criteria**

1. The following types of entities are eligible to become participants in TARGET-Danmark upon request:
  - a) credit institutions established in the Union or the EEA, including when they act through a branch established in the Union or the EEA;
  - b) credit institutions established outside the EEA, provided that they act through a branch established in the Union or the EEA;
  - c) national central banks (NCBs) of EU Member States and the ECB.

It is a precondition that the entities referred to in points (a) and (b) are not subject to restrictive measures adopted by the Council of the European Union or Member States pursuant to Article 65(1)(b), Article 75 or Article 215 of the Treaty on the Functioning of the European Union, the implementation of which, in the view of Danmarks Nationalbank after informing the ECB, is incompatible with the smooth functioning of TARGET.

2. Danmarks Nationalbank may, at its discretion, also admit the following entities as participants:
  - a) treasury departments of central or regional governments of Member States;
  - b) public sector bodies of Member States authorised to hold accounts for customers;
  - (c) (i) investment firms established in the Union or the EEA, including when they act through a branch established in the Union or the EEA; and  
(ii) investment firms established outside the EEA, provided that they act through a branch established in the Union or the EEA;
  - d) entities managing ancillary systems, and acting in that capacity; and

- e) credit institutions or any of the entities of the types listed in points (a) to (d), in both cases where these are established in a country with which the Union has entered into a monetary agreement allowing access by any such entities to payment systems in the Union subject to the conditions set out in the monetary agreement and provided that the relevant legal regime applying in the country is equivalent to relevant Union legislation.

## **Article 5 – Application procedure**

1. In order to become a participant in TARGET-Danmark, an entity as described in Article 4(1) or an entity that may be admitted by Danmarks Nationalbank under Article 4(2) shall fulfil the following requirements:
  - a) install, manage, operate, monitor and ensure the security of the necessary IT infrastructure to connect to TARGET-Danmark and be able to submit cash transfer orders to it. In doing so, applicant participants may involve third parties but retain sole liability;
  - b) have passed the tests required by Danmarks Nationalbank;
  - c) if it is an applicant for an RTGS DCA, a T2S DCA or a TIPS DCA, it shall also hold or open an MCA with Danmarks Nationalbank;
  - d) provide a capacity opinion in the form specified in Appendix 3, unless the information and representations to be provided in such capacity opinion have already been obtained by Danmarks Nationalbank in another context;
  - e) for the entities referred to in Article 4(1)(b) and in Article 4(2)(c)( ii), provide a country opinion in the form specified in Appendix 3, unless the information and representations to be provided in such country opinion have already been obtained by Danmarks Nationalbank in another context;
  - f) if it is an applicant for a TIPS DCA, have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement;
  - g) if it is an applicant for a TIPS AS technical account, have provided evidence that the disclosure letter showing their intent to be an SCT Inst compliant Clearing and Settlement Mechanism (CSM) has been provided to the European Payments Council (EPC).
2. Applicants shall apply to Danmarks Nationalbank, as a minimum enclosing the following documents/information:
  - a) completed static data collection forms as provided by Danmarks Nationalbank;
  - b) the capacity opinion, if required by Danmarks Nationalbank, and the country opinion, if required by Danmarks Nationalbank;
  - c) if it is an applicant for a TIPS DCA, evidence of their adherence to the SCT Inst scheme;

- d) if the applicant is applying to use the TIPS AS settlement procedure, evidence that they have provided the EPC with the disclosure letter showing their intent to be an SCT Inst compliant CSM;
  - e) if the applicant designates a paying agent, evidence that the paying agent has agreed to act in that role.
3. Applicants which are already TARGET participants and apply for a new account as described in: (i) Part III (RTGS DCA); (ii) Part IV (T2S DCA); (iii) Part V (TIPS DCA); (iv) Part VI (RTGS AS technical account); and/or (v) Part VII (TIPS AS technical account), shall comply with the provisions of paragraphs 1 and 2 to the extent relevant for the new account applied for.
  4. Danmarks Nationalbank may also request any additional information it deems necessary to decide on an application to open a TARGET account.
  5. Danmarks Nationalbank shall reject the application to participate if:
    - a) the applicant is not a TARGET eligible entity as described in Article 4(1) or an entity that may be admitted by Danmarks Nationalbank under Article 4(2);
    - b) one or more of the participation requirements referred to in paragraph 1 are not met; and/or
    - c) according to Danmarks Nationalbank's assessment, such participation would endanger the overall stability, soundness and safety of TARGET-Danmark or of any other TARGET component system, or would jeopardise Danmarks Nationalbank's performance of its tasks as described in the Danmarks Nationalbank Act and the by-laws of Danmarks Nationalbank and the Statute of European System of Central Banks and of the European Central Bank, or poses risks on the grounds of prudence.
  6. Danmarks Nationalbank shall communicate in writing its decision on the application to become a participant in TARGET-Danmark to the applicant within one month of Danmarks Nationalbank's receipt of the application. Where Danmarks Nationalbank requests additional information pursuant to paragraph 4, the decision shall be communicated within one month of Danmarks Nationalbank's receipt of this information from the applicant. Any rejection shall contain reasons for the rejection.

## **Article 6 – Participants**

1. Participants which are not AS shall hold at least one MCA with Danmarks Nationalbank and may also hold one or more RTGS DCAs, T2S DCAs and/or TIPS DCAs with Danmarks Nationalbank.
2. AS which use the RTGS AS settlement procedures or the TIPS AS settlement procedure shall be subject to the terms and conditions set out in this Part I as well as in Part VI or Del VII, respectively. They may hold one or more MCAs, T2S DCAs and, exceptionally and if approved by Danmarks Nationalbank, one or more RTGS DCAs except in relation to the clearing of instant

payments pursuant to the SCT Inst scheme. If an AS holds an RTGS DCA or a T2S DCA it shall also hold at least one MCA with Danmarks Nationalbank. In the event that an AS holds one or more MCAs or RTGS DCAs or T2S DCAs, the respective Parts of these Conditions shall also apply.

#### **Article 7 – Access to a participant’s account by entities other than the participant**

1. To the extent technically possible, a participant may give access to its TARGET accounts to one or more entities it designates, for the purposes of submitting cash transfer orders and performing other actions.
2. Cash transfer orders submitted or funds received by the entities designated by a participant as referred to in paragraph 1 shall be deemed to have been submitted or received by that participant itself.
3. The participant shall be bound by such cash transfer orders and any other action taken by the entity or entities referred to in paragraph 1, regardless of the content of, or any non-compliance with, the contractual arrangement between that participant and such entity.

#### **Article 8 – Billing**

1. Danmarks Nationalbank shall identify billable items according to Appendix 6 and shall allocate each of them to the participant from which that billable item originates.
2. Any fee payable in relation to a cash transfer order submitted by or a transfer order received by an AS, irrespective of whether it uses RTGS AS settlement procedures or an RTGS DCA, shall be exclusively charged to that AS.
3. Billable items generated by actions taken by the designated entities referred to in Article 7, as well as by central banks acting on behalf of a participant, shall be allocated to the participant.
4. Danmarks Nationalbank shall issue separate invoices to the participant for the relevant services described in: (i) Part III (RTGS DCA); (ii) Part IV (T2S DCA); (iii) Part V (TIPS DCA); (iv) Part VI (RTGS AS settlement procedures); and (v) Part VII (TIPS AS settlement procedure).
5. Danmarks Nationalbank shall settle each invoice by means of a direct debit of an MCA held by the participant, unless the participant has designated another participant in TARGET (which may be in TARGET-Danmark or another component system) as a paying agent and instructed Danmarks Nationalbank to debit the MCA of that paying agent. Such an instruction shall not release the participant from its obligation to pay each invoice.
6. Where a paying agent has been designated, the participant shall provide Danmarks Nationalbank with evidence that the paying agent has agreed to act in that role.
7. For the purposes of this Article, each AS shall be treated separately, even if two or more of them are operated by the same legal entity, and irrespective of whether or not the AS has been designated under Directive 98/26/EC. In the case of an AS that has not been designated

under Directive 98/26/EC, it shall be identified as an AS by reference to the following criteria: (a) it is a formal arrangement, based on a contractual or legislative instrument, e.g. an agreement among the participants and the system operator; (b) it has multiple membership; (c) it has common rules and standardised arrangements; and (d) is for the purpose of clearing, netting and/or settlement of payments and/or securities between the participants.

#### **Article 9 – Billing groups**

1. Upon the request of the participant Danmarks Nationalbank shall create a billing group to allow its members to benefit from the degressive pricing applicable to RTGS DCAs. The billing group may only include RTGS DCA holders belonging to the same banking group, from one or more TARGET component systems.
- 2) Upon the request of an RTGS DCA holder Danmarks Nationalbank shall add that RTGS DCA holder to or delete it from a billing group which may be in TARGET-Danmark or in any other TARGET component system. The RTGS DCA holder shall inform all other members of the billing group of such request prior to making it.

RTGS DCA holders included in a billing group shall be invoiced separately as set out in Article 8.

#### **Article 10 – Obligations of Danmarks Nationalbank and the participants**

1. Danmarks Nationalbank shall offer the services described in Parts II, III, IV, V, VI and VII where a participant has opted for and has been granted an account as referred to therein. Save where otherwise provided in these Conditions or required by law, Danmarks Nationalbank shall use all reasonable means within its power to perform its obligations under these Conditions, without guaranteeing a specific result.
2. Danmarks Nationalbank is the provider of services pursuant to these Conditions. Acts and omissions of the Level 3 NCBs shall be considered as acts and omissions of Danmarks Nationalbank, for which it shall assume liability in accordance with Article 22. Participation pursuant to these Conditions shall not create a contractual relationship between the participants and the Level 3 NCBs when any of the latter acts in its capacity as a Level 3 NCB. Instructions, messages or information which a participant receives from, or sends to, TARGET in relation to the services provided under these Conditions shall be deemed to be received from, or sent to, Danmarks Nationalbank.
- 3) The participant shall pay to Danmarks Nationalbank fees in accordance with Article 8.

The participant shall ensure that it is technically connected to TARGET-Danmark in accordance with the TARGET operating schedule set out in Appendix 5. This obligation may be fulfilled through a designated entity referred to in Article 7.

The participant shall represent and warrant to Danmarks Nationalbank that the performance of its obligations under these Conditions does not breach any law, regulation or by-law applicable to it or any agreement by which it is bound.

The participant shall pay any applicable stamp duties or other documentary taxes or duties, if applicable, as well as any other costs the participant incurs in opening, maintaining or closing its TARGET account.

#### **Article 11 – Cooperation and information exchange**

1. In performing their obligations and exercising their rights under these Conditions, Danmarks Nationalbank and participants shall cooperate closely to ensure the stability, soundness and safety of TARGET-Danmark. They shall provide each other with any information or documents relevant for the performance of their respective obligations and the exercise of their respective rights under these Conditions, without prejudice to any banking secrecy.
2. Danmarks Nationalbank shall establish and maintain a system support desk to assist participants in relation to difficulties arising in connection with system operations.
3. Up-to-date information on the operational status of each service shall be available on a TARGET Information System (TIS) on a dedicated webpage on the ECB's website.
4. Danmarks Nationalbank may communicate system relevant messages to participants by means of a broadcast message or, if this means is not available, by any other appropriate means of communication.
- 5) Participants shall update in a timely manner existing reference data collection forms and submit new reference data collection forms to Danmarks Nationalbank. Participants shall verify the accuracy of information relating to them that is entered into TARGET-Danmark by Danmarks Nationalbank.
- 6) The participant hereby authorises Danmarks Nationalbank to communicate to the Level 3 NCBs any information relating to participants which the Level 3 NCBs may need, in accordance with the agreements between the Level 3 NCBs and the Eurosystem CBs governing the provision of the services to be provided by the Level 3 NCBs.
- 7) Participants shall inform Danmarks Nationalbank without undue delay about any changes in their legal capacity and relevant legislative changes affecting issues covered by any country opinion relating to the country in question as set out in the terms of reference given in Appendix 3.
- 8) Danmarks Nationalbank may at any time request an update or renewal of the country or capacity opinions referred to in Article 5(1)(d) and (e).
- 9) Participants shall immediately inform Danmarks Nationalbank if an event of default occurs in relation to themselves or if they are subject to crisis prevention measures or crisis management measures within the meaning of Directive 2014/59/EU of the European Parliament and of the Council or any other equivalent applicable legislation<sup>1</sup>.

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<sup>1</sup> Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC,

## **Article 12 – Remuneration of accounts**

1. MCAs, DCAs and their sub-accounts shall be remunerated at a rate of €STR minus 20 basis points, but not exceeding 0 per cent.

After 18:00, the participant may have a balance on its MCAs, DCAs and their sub-accounts for settlement purposes only.

Interest shall be calculated on a daily basis and shall accrue and be paid on the third business day of the month. In case the balance on MCAs, DCAs and/or their sub-accounts exceeds EUR 1,000,000 after 18:00, the participant is required to pay a separate amount of kr. 5,000.00 to Danmarks Nationalbank.

- 2) Overnight balances held on RTGS AS technical accounts for AS settlement procedure D, TIPS AS technical accounts and guarantee funds held by European Economic Area financial market infrastructures, including those held on an AS guarantee fund accounts, shall be remunerated at a rate of €STR minus 20 basis points, but not exceeding 0 per cent.

## **Article 13 – Management of accounts**

1. Participants shall monitor and manage the liquidity on their accounts in line with the TARGET operating schedule as set out in Appendix 5 and perform transaction-level reconciliation at least once a day. This obligation may be fulfilled through a designated entity referred to in Article 7.
2. Participants shall make use of the tools provided by Danmarks Nationalbank for the purpose of account reconciliation, in particular the daily statement of account which is made available to each participant. This obligation may be fulfilled through a designated entity referred to in Article 7.
3. Participants shall immediately inform Danmarks Nationalbank in the event that a mismatch occurs in relation to any of their accounts.

## **Article 14 – Minimum reserves**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

## **Article 15 – Floor and ceiling amounts**

1. Participants may set floor and ceiling amounts on their MCAs or DCAs.
- 2) Participants may choose to receive a notification if the floor or ceiling amount is breached. In addition, for MCAs or RTGS DCAs participants may opt for the breach to trigger a rule-based liquidity transfer order.



- 3) The settlement of a liquidity transfer order shall not trigger a check of whether the floor or ceiling amount has been breached.

#### **Article 16 – Account monitoring group**

1. An MCA holder may create one or more account monitoring groups for the purpose of monitoring liquidity on several MCAs or DCAs and will become the leader party for any account monitoring group that it creates.
- 2) A participant may add any of its MCAs or DCAs opened within TARGET-Danmark or any other TARGET component system to one or more account monitoring groups and thereby become a member of that account monitoring group. A member of an account monitoring group may initiate the removal of its account from that account monitoring group at any time. A participant shall inform the leader party of an account monitoring group prior to adding or removing an account from that account monitoring group.
- 3) Only the leader party of an account monitoring group shall be able to view the balances of all accounts included in that account monitoring group.
- 4) The leader party may delete the account monitoring group and shall inform the other members of the account monitoring group prior to such deletion.

#### **Article 17 – Acceptance and rejection of cash transfer orders**

1. Cash transfer orders submitted by participants shall be deemed accepted by Danmarks Nationalbank if:
  - a) the transfer message complies with the technical requirements of TARGET described in Appendix 1;
  - b) the transfer message complies with the formatting rules and conditions described in Appendix 1;
  - c) the transfer message passes the double-entry check described in Appendix 1;
  - d) in cases where a payer has been suspended with regard to debiting its account(s) or a payee has been suspended with regard to crediting its account(s), the suspended participant's CB's explicit consent has been obtained;
  - e) in cases where the cash transfer order is made as part of an RTGS AS settlement procedure, the participant's account is included in the settlement bank account group requested by that AS as set out in Part VI, Article 1(7); and
  - f) in the case of cross-system settlement as part of RTGS AS settlement procedures, the AS concerned is part of a cross-system settlement arrangement as set out in Part VI, Article 9.
- 2) Danmarks Nationalbank shall immediately reject any cash transfer order that does not fulfil the conditions laid down in paragraph 1. Danmarks Nationalbank shall inform the participant of any rejection of a cash transfer order, as specified in Appendix 1.

## **Article 18 – Entry of cash transfer orders into the system and their irrevocability**

1. For the purposes of the first sentence of Article 3(1) and Article 5 of the Settlement Finality Directive and sections 163 and 166 of the Danish Capital Markets Act (Consolidated Act no. 2014 of 1 November 2021):
  - a) all cash transfer orders, except as provided for in points (b), (c) and (d) of this paragraph, shall be deemed entered into TARGET-Denmark and irrevocable at the moment that the relevant participant's TARGET account is debited;
  - b) instant payment orders shall be deemed entered into TARGET-Denmark and irrevocable at the moment that the relevant funds on the TIPS DCA of the participant or on its TIPS AS technical account are reserved;
  - c) in the case of transactions that are settled on T2S DCAs and that are subject to matching of two separate transfer orders:
    - i. such transfer orders, except as provided for in point (ii) of this paragraph, shall be deemed entered into TARGET-Denmark at the moment at which they have been declared compliant with the technical rules of T2S by the T2S Platform and irrevocable at the moment the transaction has been given the status 'matched' at the T2S Platform;
    - ii. in the case of transactions involving one participating central securities depository (CSD) that has a separate matching component where transfer orders are sent directly to that participating CSD to be matched in its separate matching component, such transfer orders shall be deemed entered into TARGET-Denmark at the moment at which they have been declared compliant with the technical rules of T2S by that participating CSD and irrevocable from the moment the transaction has been given the status 'matched' on the T2S Platform. A list of participating CSDs to which this point (ii) applies is available on the ECB's website;
  - d) cash transfer orders in connection with RTGS AS settlement procedures shall be deemed entered in the TARGET component system of the account to be debited at the moment at which they are accepted by that TARGET component system and irrevocable at that moment.
2. The provisions of paragraph 1 shall not affect any rules of AS that stipulate a moment of entry into the AS and/or irrevocability of transfer orders submitted to it at a point in time earlier than the moment of entry of the respective AS transfer order in the relevant TARGET component system.
3. Cash transfer orders included in an algorithm may not be revoked during the period that the algorithm is running.

## **Article 19 – Business continuity and contingency procedures**

- 1) In the event of an abnormal external event or any other event which affects transactions on the TARGET accounts, the business continuity and contingency procedures described in Appendix 4 shall apply.
- 2) In exceptional circumstances the TARGET operating schedule may be changed, in which case participants will be informed by Danmarks Nationalbank.
- 3) In exceptional circumstances an AS may make a request to Danmarks Nationalbank to modify the TARGET operating schedule.
- 4) The Eurosystem provides a Contingency Solution for use if the events described in paragraph 1 occur. Connection to and use of the Contingency Solution may be effected on the request of a participant and shall be mandatory in the following cases:
  - a) for participants considered by Danmarks Nationalbank to be critical and for participants that settle very critical transactions as set out in Appendix 4
  - b) with effect from 21 March 2025 for all ASs and for all RTGS DCA holders.

## **Article 20 – Security requirements**

1. Participants shall implement adequate security controls to protect their systems from unauthorised access and use. Participants shall be exclusively responsible for the adequate protection of the confidentiality, integrity and availability of their systems.
2. Participants shall immediately inform Danmarks Nationalbank of any security-related incidents in their technical infrastructure and, where appropriate, security-related incidents that occur in the technical infrastructure of third-party providers. Danmarks Nationalbank may request further information about the incident and, if necessary, request that the participant take appropriate measures to prevent a recurrence of such an event.
- 3) Danmarks Nationalbank may impose additional security requirements, in particular with regard to cybersecurity or the prevention of fraud, on all participants and/or participants that are considered critical by Danmarks Nationalbank.
- 4) Participants shall provide Danmarks Nationalbank with: (i) permanent access to their attestation of adherence to their chosen network service provider's (NSP) endpoint security requirements; and (ii) on an annual basis the TARGET self-certification statement as required for the types of accounts that they hold and as published on Danmarks Nationalbank's website and on the ECB's website in English.
- 5) Danmarks Nationalbank shall assess the participant's self-certification statement(s) on the participant's level of compliance with each of the requirements set out in the TARGET self-certification requirements. These requirements are listed in Appendix 7.

- 6) Participants' level of compliance with the requirements of the TARGET self-certification shall be categorised as follows, in increasing order of severity: 'full compliance', 'minor non-compliance' or 'major non-compliance'. The following criteria apply: full compliance is reached where participants satisfy 100% of the requirements; minor non-compliance is where a participant satisfies less than 100% but at least 66% of the requirements; and major non-compliance is where a participant satisfies less than 66% of the requirements. If a participant demonstrates that a specific requirement is not applicable to it, it shall be considered as compliant with the respective requirements for the purposes of the categorisation. A participant which fails to reach 'full compliance' shall submit an action plan demonstrating how it intends to reach full compliance. Danmarks Nationalbank shall inform the relevant supervisory authorities of the status of such participant's compliance.
- 7) If the participant refuses to grant permanent access to its attestation of adherence to its chosen NSP's endpoint security requirements or does not provide the TARGET self-certification, the participant's level of compliance shall be categorised as 'major non-compliance'.
- 8) Danmarks Nationalbank shall re-assess compliance of participants on an annual basis.
- 9) Danmarks Nationalbank may impose the following measures on participants whose level of compliance was assessed as minor or major non-compliance, in increasing order of severity:
  - a) enhanced monitoring: the participant shall provide Danmarks Nationalbank with a monthly report, signed by a senior executive, on its progress in addressing the non-compliance. The participant shall additionally incur a monthly penalty charge for each affected account of EUR 1,000. This measure of redress may be imposed in the event the participant receives a second consecutive assessment of minor non-compliance or an assessment of major non-compliance;
  - b) suspension: participation in TARGET-Danmark may be suspended in the circumstances described in Article 25(2), points (b) and/or (c). By way of derogation from Article 25, the participant shall be given three months' notice of such suspension. The participant shall incur a monthly penalty charge for each suspended account of EUR 2,000. This measure of redress may be imposed in the event the participant receives a second consecutive assessment of major non-compliance;
  - c) termination: participation in TARGET-Danmark may be terminated in the circumstances described in Article 25(2), points (b) and/or (c). By way of derogation from Article 25, the participant shall be given three months' notice. The participant shall incur an additional penalty charge of EUR 1,000 for each terminated account. This measure of redress may be imposed if the participant has not addressed the major non-compliance to the satisfaction of Danmarks Nationalbank following three months suspension.
- 10) Participants allowing access to their TARGET account by third parties as set out in Article 7 and participants having registered addressable BIC holders as set out in Part III, Article 2, shall address the risk stemming from allowing such access in accordance with the security requirements set out in paragraphs 1 to 9.

## **Article 21 – Compensation scheme**

If a cash transfer order cannot be settled on the same business day on which it was accepted due to a technical malfunction of TARGET, Danmarks Nationalbank shall offer to compensate the participants concerned in accordance with the special procedure laid down in Appendix 2.

## **Article 22 – Liability regime**

1. In performing their obligations pursuant to these Conditions, Danmarks Nationalbank and the participants shall be bound by a general duty of reasonable care in relation to each other.
- 2) Danmarks Nationalbank shall be liable to its participants in cases of fraud (including but not limited to wilful misconduct) or gross negligence, for any loss arising out of the operation of TARGET-Danmark. In cases of ordinary negligence, Danmarks Nationalbank's liability shall be limited to the participant's direct loss, i.e. the amount of the transaction in question and/or the loss of interest, excluding any consequential loss.
- 3) Danmarks Nationalbank shall not be liable for any loss that results from any malfunction or failure in the technical infrastructure (including but not limited to Danmarks Nationalbank's computer infrastructure, programmes, data, applications or networks), if such malfunction or failure arises in spite of Danmarks Nationalbank having adopted those measures that are reasonably necessary to protect such infrastructure against malfunction or failure, and to resolve the consequences of such malfunction or failure (the latter including but not limited to initiating and completing the business continuity and contingency procedures referred to in Appendix 4).
- 4) Danmarks Nationalbank shall not be liable:
  - a) to the extent that the loss is caused by the participant; or
  - b) if the loss arises out of external events beyond Danmarks Nationalbank's reasonable control (force majeure).
- 5) Notwithstanding the provisions of the Danish Payments Act (*Lov om betalinger*) (Consolidated Act no. 53 of 18 January 2023), paragraphs 1 to 4 shall apply to the extent that Danmarks Nationalbank's liability can be excluded.
- 6) Danmarks Nationalbank and the participants shall take all reasonable and practicable steps to mitigate any damage or loss referred to in this Article.
- 7) In performing some or all of its obligations under these Conditions, Danmarks Nationalbank may commission third parties in its own name, particularly telecommunications or other network providers or other entities, if this is necessary to meet Danmarks Nationalbank's obligations or is standard market practice. Danmarks Nationalbank's obligation shall be limited to the due selection and commissioning of such third parties and Danmarks Nationalbank's liability shall be limited accordingly. For the purposes of this paragraph, the Level 3 NCBs shall not be considered third parties.

### **Article 23 – Evidence**

1. Unless otherwise provided in these Conditions, all cash transfer orders and related messages, such as confirmation of debits or credits or statement messages, between Danmarks Nationalbank and participants shall be made through the relevant networks service provider (NSP).
2. Electronic or written records of the messages retained by Danmarks Nationalbank or by the relevant NSP shall be accepted as a means of evidence of the payments processed through Danmarks Nationalbank. The saved or printed version of the original message of the relevant NSP shall be accepted as a means of evidence, regardless of the form of the message.
3. If a participant's connection to the NSP fails, the participant shall use the alternative means of transmission of messages as agreed with Danmarks Nationalbank. In such cases, the saved or printed version of the message produced by Danmarks Nationalbank shall have the same evidential value as the original message, regardless of its form.
4. Danmarks Nationalbank shall keep complete records of cash transfer orders submitted and payments received by participants for a period of five years from the end of the financial year in which such cash transfer orders are submitted and payments are received, respectively.
5. Danmarks Nationalbank's own books and records shall be accepted as a means of evidence of any obligations of the participants and of any facts and events that the parties rely on.

### **Article 24 – Duration and ordinary termination of participation and closure of accounts**

1. Without prejudice to Article 25, access to participation in TARGET-Danmark shall be for an indefinite period of time.
2. A participant may terminate any of the following at any given time giving 14 business days' notice thereof, unless it agrees a shorter notice period with Danmarks Nationalbank:
  - a) its entire participation in TARGET-Danmark;
  - b) one or more of its DCAs, RTGS AS technical accounts and/or TIPS AS technical accounts;
  - c) one or more of its MCAs, provided it continues to comply with Articles 4 and 5.
3. Danmarks Nationalbank may terminate any of the following at any time giving three months' notice thereof, unless Danmarks Nationalbank agrees a different notice period with the relevant participant:
  - a) the participant's entire participation in TARGET-Danmark;
  - b) one or more of the participant's DCAs, RTGS AS technical accounts and/or TIPS AS technical accounts;
  - c) one or more of the participant's MCAs, provided that the participant continues to hold at least one MCA.

4. On termination of participation, the confidentiality duties laid down in Article 28 shall remain in force for a period of five years starting on the date of termination.
5. On termination of participation, Danmarks Nationalbank shall close all TARGET accounts of the participant concerned in accordance with Article 26.

#### **Article 25 – Suspension and extraordinary termination of participation**

1. A participant's participation in TARGET-Danmark shall be immediately terminated or suspended without prior notice if one of the following events of default occurs:
  - a) the opening of insolvency proceedings; and/or
  - b) the participant no longer meets the access criteria laid down in Article 4.

For the purposes of this paragraph 1, the taking of crisis prevention measures or crisis management measures within the meaning of Directive 2014/59/EU<sup>2</sup> of the European Parliament and of the Council against a participant shall not automatically qualify as the opening of insolvency proceedings.

2. Danmarks Nationalbank may terminate without prior notice or suspend a participant's participation in TARGET-Danmark if:
  - a) one or more events of default (other than those referred to in paragraph 1) occur;
  - b) the participant is otherwise in material breach of these Conditions;
  - c) the participant fails to carry out any material obligation to Danmarks Nationalbank;
  - d) the participant ceases to have a valid agreement with an NSP to provide the necessary connection to TARGET;
  - e) any other event related to the participant occurs which, in Danmarks Nationalbank's assessment, would threaten the overall stability, soundness and safety of TARGET-Danmark or of any other TARGET component system, or would jeopardise Danmarks Nationalbank's performance of its tasks as described in the Danmarks Nationalbank Act and the by-laws of Danmarks Nationalbank and the Statute of European System of Central Banks and of the European Central Bank, or poses risks on the grounds of prudence;
  - f) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
  - g) the participant is excluded from or otherwise ceases to be a member of one of the NSP Closed Group of Users.

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<sup>2</sup> Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU of the European Parliament and of the Council and Regulations (EU) No 1093/2010 and (EU) No 648/2012 (OJ L 173 12.6.2014, p. 190).

3. In exercising its discretion under paragraph 2, Danmarks Nationalbank shall take into account, inter alia, the seriousness of the event of default or events mentioned in points (a) to (c) of paragraph 2.
4. In the event that Danmarks Nationalbank suspends or terminates a participant's participation in TARGET-Danmark under paragraphs 1 or 2, Danmarks Nationalbank shall without undue delay inform – by means of a broadcast message or, if that is not available, by any other appropriate means of communication – the respective participant, other CBs and participants in all of the TARGET component systems of such suspension or termination. Such message shall be deemed to have been issued by the home CB if the respective participant.
5. Once a message issued under paragraph 4 has been received by the participants, they shall be deemed informed of the termination/suspension of a participant's participation in TARGET-Danmark or another TARGET component system. The participants shall bear any losses arising from the submission of a cash transfer order to participants whose participation has been suspended or terminated if such cash transfer order was entered into TARGET-Danmark after receipt of the message.

#### **Article 26 – Closure of TARGET accounts by Danmarks Nationalbank on termination of participation**

On termination of a participant's participation in TARGET-Danmark pursuant to either Article 24 or 25, Danmarks Nationalbank shall close the TARGET accounts of the participant concerned, after having settled or rejected any queued cash transfer orders, and made use of its rights of set-off under Article 27.

#### **Article 27 – Danmarks Nationalbank's rights of set-off**

1. NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
2. NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
3. NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
4. On the occurrence of:
  - a) an event of default, referred to in Article 25(1); or
  - b) any other event of default or event referred to in Article 25(2) that has led to the termination or suspension of a participant's participation, notwithstanding the commencement of any insolvency proceedings in respect of a participant and notwithstanding any assignment, judicial or other attachment or other disposition of or in respect of the participant's rights,

all obligations of the participant shall be automatically and immediately accelerated, without prior notice and without the need for any prior approval of any authority, so as to be immediately due. In addition, the mutual obligations of the participant and Danmarks Nationalbank shall automatically be set off against each other, and the party owing the higher amount shall pay to the other the difference.



5. Danmarks Nationalbank shall promptly give the participant notice of any set-off pursuant to paragraph 4 after such set-off has taken place.
6. Danmarks Nationalbank may without prior notice debit any participant's TARGET accounts by any amount which the participant owes Danmarks Nationalbank resulting from the legal relationship between the participant and Danmarks Nationalbank.
7. The provisions of this Article shall not create any right, pledge, charge or claim or set-off in respect of the following TARGET accounts used by AS:
  - a) TARGET accounts used in accordance with the AS settlement procedures under Part VI or Part VII;
  - b) TARGET accounts held by AS under Parts II to V, where funds held on such accounts do not belong to the AS but are held on behalf of their customers or are used to settle cash transfer orders on behalf of their customers.

#### **Article 28 – Confidentiality**

1. Danmarks Nationalbank shall keep confidential all sensitive or secret information, including when such information relates to payments, technical or organisational information belonging to the participant, participants from the same group or the participant's customers, unless the participant or its customer have given its written consent to disclose or such disclosure is permitted or required under Danish law.
- 2) By derogation from paragraph 1, the participant agrees that information on any action taken under Article 25 shall not be confidential.
- 3) By derogation from paragraph 1, the participant agrees that Danmarks Nationalbank may disclose payment, technical or organisational information regarding the participant, participants from the same group or the participant's customers, obtained in the course of the operation of TARGET-Danmark to:
  - a) other CBs or third parties that are involved in the operation of TARGET-Danmark, to the extent that this is necessary for the efficient functioning of TARGET or the monitoring of the participant's or its group's exposure;
  - b) other CBs in order to carry out the analyses necessary for market operations, monetary policy functions, financial stability or financial integration; or
  - c) supervisory, resolution and oversight authorities of Member States and the Union, including CBs, to the extent that this is necessary for the performance of their public tasks;

and provided that in all such cases the disclosure is not in conflict with applicable law.

- 4) Danmarks Nationalbank shall not be liable for the financial and commercial consequences of disclosure made in accordance with paragraph 3.

- 5) By derogation from paragraph 1 and provided that this does not make it possible, whether directly or indirectly, to identify the participant or the participant's customers, Danmarks Nationalbank may use, disclose or publish payment information regarding the participant or the participant's customers for statistical, historical, scientific or other purposes in the exercise of Danmarks Nationalbank's tasks or – if the information is disclosed to other public authorities – in the exercise of these authorities' tasks.
- 6) Information relating to the operation of TARGET-Danmark to which participants have had access may only be used for the purposes laid down in these Conditions. Participants shall keep such information confidential, unless Danmarks Nationalbank has explicitly given its written consent to disclosure. Participants shall ensure that any third parties to whom they outsource, delegate or subcontract tasks which have or may have an impact on the performance of their obligations under these Conditions are bound by the confidentiality requirements in this Article.
- 7) Danmarks Nationalbank shall be authorised, in order to settle cash transfer orders, to process and transfer the necessary data to the NSP.

**Article 29 – Data protection, prevention of money laundering, administrative or restrictive measures and related issues**

1. Participants shall be deemed to be aware of, shall comply with and shall be able to demonstrate that compliance to the relevant competent authorities with all obligations on them relating to legislation on data protection. They shall be deemed to be aware of, and shall comply with, all obligations on them relating to legislation on prevention of money laundering and the financing of terrorism, proliferation-sensitive nuclear activities and the development of nuclear weapons delivery systems, in particular in terms of implementing appropriate measures concerning any payments debited or credited on their TARGET accounts. Participants shall ensure that they are informed about their chosen NSP's data retrieval policy prior to entering into the contractual relationship with the NSP.
- 2) Participants shall be deemed to have authorised Danmarks Nationalbank to obtain any information relating to them from any financial or supervisory authority or trade body, whether national or foreign, if such information is necessary for the participant's participation in TARGET-Danmark.
- 3) Participants, when acting as the payment service provider of a payer or payee, shall comply with all requirements resulting from administrative or restrictive measures imposed pursuant to Article 75 or 215 of the Treaty to which they are subject, including with respect to notification and/or the obtaining of consent from a competent authority in relation to the processing of transactions. In addition:
  - a) when Danmarks Nationalbank is the payment provider of a participant that is a payer:
    - i. the participant shall make the required notification or obtain consent on behalf of the central bank that is primarily required to make notification or

obtain consent, and shall provide Danmarks Nationalbank with evidence of having made a notification or having received consent;

- ii. the participant shall not enter any cash transfer order for the transfer of funds to an account held by an entity different than the participant, into TARGET until it has obtained information from Danmarks Nationalbank that the required notification has been made or the consent has been obtained by or on behalf of the payment service provider of the payee;

- b) when Danmarks Nationalbank is a payment service provider of a participant that is a payee, the participant shall make the required notification or obtain consent on behalf of the central bank that is primarily required to make notification or obtain consent, and shall provide Danmarks Nationalbank with evidence of having made a notification or having received consent.

For the purposes of this paragraph 3, the terms 'payment service provider', 'payer' and 'payee' shall have the meanings ascribed to them in the applicable administrative or restrictive measures.

### **Article 30 – Notices**

1. Except where otherwise provided for in these Conditions, all notices required or permitted pursuant to these Conditions shall be sent by registered post, facsimile or other electronic means if agreed bilaterally, or otherwise in writing. Notices to Danmarks Nationalbank shall be submitted to Central Bank and Retail Bank Operations, Banking and Markets, Danmarks Nationalbank, Langelinie Allé 47, DK-2100 Copenhagen Ø or to Danmarks Nationalbank's BIC address: DKNBDKXX. Notices to the participant shall be sent to it at the address, fax number or its BIC address as the participant may from time to time notify to Danmarks Nationalbank.
2. To prove that a notice has been sent, it shall be sufficient to prove that the notice was sent either physically or by electronic means to the relevant addressee.
3. All notices shall be given in Danish and/or English.
4. Participants shall be bound by all forms and documents of Danmarks Nationalbank that the participants have filled in and/or signed, including static data collection forms, as referred to in Article 5(2)(a), and information provided under Article 11(5), which were submitted in compliance with paragraphs 1 and 2 and which Danmarks Nationalbank reasonably believes to have been received from the participants, their employees or agents.

### **Article 31 – Contractual relationship with NSP**

1. In order to send to or receive from TARGET instructions and messages, participants shall:
  - a) conclude a contract with an NSP within the framework of the concession contract with that NSP in order to establish a technical connection to TARGET-Danmark; or

- b) connect via another entity which has itself concluded a contract with an NSP within the framework of the concession contract with that NSP.

1a From 21 March 2026, participants that are considered critical by Danmarks Nationalbank shall, in addition to the technical connection referred to in paragraph 1, establish a second technical connection for contingency purposes to TARGET-Danmark through a second NSP in accordance with the modalities set out in paragraph 1. The second technical connection may be via the second NSP's low-volume user to application (U2A) access).

- 2) The legal relationship between a participant and the NSP shall be exclusively governed by the terms and conditions of the contract concluded between them.
- 3) The services to be provided by the NSP shall not form part of the services to be performed by Danmarks Nationalbank in respect of TARGET.
- 4) Danmarks Nationalbank shall not be liable for any acts, errors, or omissions of the NSP (including its directors, staff and subcontractors), or for any acts, errors or omissions of third parties selected by participants to gain access to the NSP's network.

#### **Article 32 – Amendment procedure**

Danmarks Nationalbank may at any time unilaterally amend these Conditions, including the Appendices. Such amendments shall be announced by means of communication in writing made available via 'MS Teams'. Amendments shall be deemed to have been accepted unless the participant expressly objects within 14 days of being informed of such amendments. In the event that a participant objects to an amendment, Danmarks Nationalbank is entitled immediately to terminate that participant's participation in TARGET-Danmark and close any of its TARGET accounts.

#### **Article 33 – Third-party rights**

1. Participants shall not transfer, pledge, or assign any rights, interests, obligations, responsibilities or claims arising from or relating to these Conditions to any third party without Danmarks Nationalbank's written consent.
- 2) These Conditions do not create any rights in favour of or obligations in relation to any entity other than Danmarks Nationalbank and participants in TARGET-Danmark.

#### **Article 34 – Governing law, jurisdiction and place of performance**

1. The relationship between Danmarks Nationalbank and participants in TARGET-Danmark shall be governed by Danish law.
- 2) Without prejudice to the competence of the Court of Justice of the European Union, any dispute arising from the relationship referred to in paragraph 1 falls under the exclusive competence of the competent courts of Copenhagen.
- 3) The place of performance for obligations arising from the legal relationship between Danmarks Nationalbank and the participants shall be Copenhagen.

**Article 35 – Severability**

If any provision in these Conditions is or becomes invalid, this shall not prejudice the applicability of all the other provisions of these Conditions.

**Article 36 – Entry into force and binding nature**

1. These Conditions become effective from 1 December 2024 and replace the Conditions of 20 November 2023.
- 2) By requesting to participate in TARGET-Danmark, applicant participants automatically agree to these Conditions between themselves and in relation to Danmarks Nationalbank.

Copenhagen, 22 November 2024

**Danmarks Nationalbank**

## Part II Special terms and conditions for main cash accounts (MCAs)

### Article 1 – Opening and management of an MCA

1. Danmarks Nationalbank shall open and operate at least one MCA for each participant, except where the participant is an AS that only uses RTGS or TIPS AS settlement procedures, in which case the use of an MCA shall be at the discretion of the AS.
2. NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
3. The participant shall designate a primary MCA to be used for:
  - a) debiting of any negative interest, unless the participant has designated another participant in TARGET-Danmark for that purpose;
  - b) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
4. The participant shall have no debit balances on an MCA.

### Article 2 – Co-management of an MCA

1. On the request of an MCA holder Danmarks Nationalbank shall allow an MCA held by that MCA holder to be co-managed by one of the following:
  - a) another MCA holder in TARGET-Danmark;
  - b) an MCA holder in another TARGET component system;
  - c) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

If the MCA holder holds more than one MCA, each MCA held may be co-managed by a different co-manager.

The co-manager shall have the same rights and privileges in relation to an MCA that it co-manages as it has in relation to its own MCA.

2. The MCA holder shall provide Danmarks Nationalbank with evidence of the consent of the co-manager to act in that capacity.
3. An MCA holder acting as co-manager shall fulfil the obligations of the MCA holder of the co-managed MCA under Part I, Article 5(1)(a), Part I, Article 10(4), and Part I, 31(1) and 1(a).
4. The MCA holder of a co-managed MCA shall fulfil the obligations of a participant under Part I and Part II in respect of the co-managed MCA. In the event that the MCA holder does not have a direct technical connection to TARGET, Part I, Article 5(1)(a), Part I, Article 10(4), and Part I, 31(1) and 1(a), shall not apply.

5. Part I, Article 7, shall apply to an MCA holder that designates an entity to act as co-manager of an MCA holder's MCA pursuant to this Article.
6. The MCA holder shall immediately notify Danmarks Nationalbank if the co-manager ceases to act or the co-management between the MCA holder and the co-manager is terminated.

### **Article 3 – MCA liquidity transfer group**

1. On the request of an MCA holder Danmarks Nationalbank shall create an MCA liquidity transfer group for the purpose of enabling the processing of MCA-to-MCA liquidity transfer orders.
2. On the request of an MCA holder Danmarks Nationalbank shall add one of the MCA holder's MCAs to or delete it from an existing MCA liquidity transfer group created in TARGET-Danmark or another TARGET component system. The MCA holder shall inform all other MCA holders in that MCA liquidity transfer group before making such a request.

### **Article 4 – Transactions processed via an MCA**

1. The following transactions shall be processed via an MCA in TARGET-Danmark:
  - a) central bank operations;
  - b) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
  - c) liquidity transfer orders to another MCA within the same MCA liquidity transfer group;
  - d) liquidity transfer orders to a T2S DCA, TIPS DCA or RTGS DCA, or to a sub-account thereof.
2. The following transaction may be processed via an MCA in TARGET-Danmark:
  - a) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

### **Article 5 – Liquidity transfer orders**

1. An MCA holder may submit a liquidity transfer order as one of the following:
  - a) an immediate liquidity transfer order, which shall be an instruction for execution immediately;
  - b) a standing liquidity transfer order, which shall be an instruction for the recurring execution of the transfer of a specified amount on the occurrence of a predefined event each business day.

### **Article 6 – Rule-based liquidity transfer orders**

1. An MCA holder may specify a floor and/or a ceiling amount for its MCA.
2. By setting a ceiling and opting for a rule-based liquidity transfer order, if, following the settlement of a payment order, the ceiling is breached, the MCA holder shall be deemed to have

instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits an RTGS DCA or another MCA within the same MCA liquidity transfer group designated by that MCA holder. The credited RTGS DCA or MCA may be registered in TARGET-Danmark or another TARGET component system.

3. By setting a floor and opting for a rule-based liquidity transfer order, if, following the settlement of a payment order, the floor is breached, a rule-based liquidity transfer order is initiated which debits an RTGS DCA or another MCA within the same MCA liquidity transfer group designated by that MCA holder. The debited RTGS DCA or MCA may be registered in TARGET-Danmark or another TARGET component system. The holder of the RTGS DCA or MCA to be debited must authorise its account to be debited in this manner.
4. An MCA holder may authorise its MCA to be debited in the event that a floor is breached in one or more specified RTGS DCAs or MCAs within the same liquidity transfer group in TARGET-Danmark or another TARGET component system. By authorising its account to be debited, the MCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits the RTGS DCA(s) or MCA(s) whenever the floor is breached.
5. An MCA holder may authorise its MCA to be debited in the event that there is insufficient liquidity on an RTGS DCA designated for the purpose of automated liquidity transfer orders under Part III, Article 1(5) and (6) to settle urgent payment orders, AS transfer orders or high priority payment orders. By authorising its account to be debited, the MCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits its RTGS DCA.

#### **Article 7 – Processing of cash transfer orders**

1. Cash transfer orders, once accepted, shall be settled immediately provided that there is available liquidity on the payer's MCA.
2. In the event that there are insufficient funds on an MCA to effect settlement, the relevant rule as set out in points (a) to (d) shall apply (depending on the type of cash transfer order).
  - a) Payment order on the MCA: the instruction shall be rejected if it is initiated by Danmarks Nationalbank and would trigger both a change in the participant's line of intra-day credit and a corresponding debit or credit of its MCA. All other instructions shall be queued.
  - b) Immediate liquidity transfer order: the order shall be rejected without partial settlement or any further attempt to settle.
  - c) Standing liquidity transfer order: the order shall be partially settled without any further attempt to settle.
  - d) Rule-based liquidity transfer order: the order shall be partially settled without any further attempt to settle.



e) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

3. All cash transfer orders in the queue shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.
4. Cash transfer orders in the queue at the end of the business day shall be rejected.

#### **Article 8 – Liquidity reservation orders**

1. An MCA holder may instruct Danmarks Nationalbank to reserve a specified amount of liquidity on its MCA for the purpose of settling central bank operations using one of the following:
  - a) a current liquidity reservation order that shall have immediate effect for the current TARGET business day;
  - b) a standing liquidity reservation order to be carried out at the start of every TARGET business day.
2. In the event that the amount of unreserved liquidity is not sufficient to fulfil the current or standing liquidity reservation order, Danmarks Nationalbank shall partially execute the reservation order. Danmarks Nationalbank shall be deemed instructed to execute further reservation orders until the outstanding amount to be reserved is reached. Pending reservation orders shall be rejected at the end of the business day.
3. Central bank operations shall be settled using the liquidity reserved as set out in paragraph 1 and other cash transfer orders shall only be settled using liquidity available after the amount reserved has been deducted.

#### **Article 9 – Processing of cash transfer orders in the event of suspension or termination**

1. Upon termination of a participant's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders from that participant. Cash transfer orders in the queue, warehoused cash transfer orders or new cash transfer orders in favour of that participant shall be rejected.
2. If a participant is suspended from TARGET-Danmark on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall store all of that participant's incoming and outgoing cash transfer orders on its MCA and only submit them for settlement after they have been explicitly accepted by the suspended participant's CB.
3. If a participant is suspended from TARGET-Danmark on the grounds specified in Part I, Article 25(1)(a), any outgoing cash transfer orders from that participant's MCA shall only be executed on the instructions of its representatives, including those appointed by a competent authority or a court, such as the participant's insolvency administrator, or pursuant to an enforceable decision of a competent authority or a court providing instructions as to how the cash transfer orders are to be processed. All incoming cash transfer orders shall be processed in accordance with paragraph 2.

**Article 10 – Entities eligible for intraday credit**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

**Article 11 – Eligible collateral for intraday credit**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

**Article 12 – Credit extension procedure for intraday credit**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

**Article 13 – Suspension, limitation or termination of intraday credit**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

## Part III Special terms and conditions for real-time gross settlement dedicated cash accounts (RTGS DCAs)

### Article 1 – Opening and management of an RTGS DCA

1. Danmarks Nationalbank shall on the request of an MCA holder open and operate one or more RTGS DCAs and one or more sub-accounts if required for use for AS settlement. If the MCA holder has adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement, the RTGS DCA(s) (and any sub-accounts) shall not be opened or operated unless the MCA holder is and remains reachable at all times, either as a TIPS DCA holder or as a reachable party via a TIPS DCA holder.
2. Danmarks Nationalbank shall on the request of the holder of an account opened pursuant to paragraph 1 (RTGS DCA holder) add the RTGS DCA or its sub-accounts to a settlement bank account group for AS settlement. The RTGS DCA holder shall provide Danmarks Nationalbank with any relevant documents, duly signed by that RTGS DCA holder and the AS.
3. There shall be no debit balance on an RTGS DCA or its sub-accounts.
4. Sub-accounts shall have a zero balance overnight.
5. An RTGS DCA holder shall designate one of its RTGS DCAs in TARGET-Danmark for the purpose of processing automated liquidity transfer orders. By such designation the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank to execute an automated liquidity transfer order that credits the MCA in the event that there are insufficient funds on its primary MCA for the settlement of payment orders that are central bank operations.
6. A participant holding two or more RTGS DCAs and two or more MCAs shall designate one of its RTGS DCAs in TARGET-Danmark, which is not already designated to its primary MCA, for the purpose of processing automated liquidity transfer orders in the event that there are insufficient funds on one of its other MCAs for the settlement of payment orders that are central bank operations.

### Article 2 – Addressable BIC holders

1. RTGS DCA holders that are credit institutions as set out in Part I, Article 4(1)(a) or (b), or Part I, Article 4(2)(e), may register addressable BIC holders. RTGS DCA holders may register addressable BIC holders that have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement only if such entities are reachable, either as a TIPS DCA holder or as a reachable party via a TIPS DCA holder.
2. RTGS DCA holders that are entities as set out Part I, Article 4(2)(a) to (d), may only register as an addressable BIC holder any BIC that belongs to the same legal entity.
3. An addressable BIC holder may submit cash transfer orders to and receive cash transfer orders via an RTGS DCA holder.

4. An addressable BIC holder may not be registered by more than one RTGS DCA holder.
5. Cash transfer orders submitted or cash transfer orders received by addressable BIC holders shall be deemed to have been submitted or received by the participant itself.
6. The participant shall be bound by such cash transfer orders and any other action taken by the addressable BIC holders, regardless of the content of, or any non-compliance with, the contractual or other arrangements between that participant and such entity.

### **Article 3 – Multi-addressee access**

1. An RTGS DCA holder that is a credit institution as set out in Part I, Article 4(1) (a) or (b), may give authorisation to the following credit institutions and branches to use its RTGS DCA for the purpose of submitting and receiving cash transfer orders directly by way of multi-addressee access:
  - a) credit institutions as set out in Part I, Article 4(1) (a) or (b), that belong to the same banking group as the RTGS DCA holder;
  - b) branches of that RTGS DCA holder;
  - c) other branches or the head-office of the same legal entity as the RTGS DCA holder.
2. The authorisation to use an RTGS DCA by way of multi-addressee access as set out in paragraph 1 shall be given to entities referred to in point (a) of paragraph 1 that have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement only if such entities are reachable, either as a TIPS DCA holder or as a reachable party via a TIPS DCA holder.
3. Part I, Article 7, shall apply to RTGS DCA holders that give access to their RTGS DCAs by way of multi-addressee access.

### **Article 4 – RTGS liquidity transfer group**

1. On the request of an RTGS DCA holder Danmarks Nationalbank shall create an RTGS liquidity transfer group for the purpose of enabling the processing of RTGS DCA-to-RTGS DCA liquidity transfer orders.
2. On the request of an RTGS DCA holder Danmarks Nationalbank shall add one of the RTGS DCA holder's RTGS DCAs to or delete it from an existing RTGS liquidity transfer group created in TARGET-Danmark or another TARGET component system. The RTGS DCA holder shall inform all other RTGS DCA holders in that RTGS liquidity transfer group before making such a request.

### **Article 5 – Transactions processed on an RTGS DCA and its sub-accounts**

1. Payment orders to other RTGS DCAs and cash transfer orders to AS guarantee fund accounts shall be processed via an RTGS DCA in TARGET-Danmark.

2. Cash transfer orders related to RTGS AS settlement procedures shall be settled via an RTGS DCA or its sub-accounts in TARGET-Danmark.
3. The following transactions may be processed via an RTGS DCA or its sub-accounts in TARGET-Danmark:
  - a) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
  - b) liquidity transfer orders to another RTGS DCA within the same RTGS liquidity transfer group;
  - c) liquidity transfer orders to a TIPS DCA or an MCA;
  - d) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.
4. Liquidity transfer orders to T2S DCAs may be processed via an RTGS DCA in TARGET-Danmark.

#### **Article 6 – Liquidity transfer orders**

1. An RTGS DCA holder may submit a liquidity transfer order as one of the following:
  - a) an immediate liquidity transfer order, which shall be an instruction for execution immediately;
  - b) a standing liquidity transfer order, which shall be an instruction for the recurring execution of the transfer of a specified amount on the occurrence of a predefined event each business day.
2. A standing liquidity transfer order may be input or modified by the RTGS DCA holder at any time during a business day and shall become effective as of the next business day.
3. An immediate liquidity transfer order may be input by the RTGS DCA holder at any time during a business day. An immediate liquidity transfer order for processing in accordance with RTGS AS settlement procedures C or D may also be input by the relevant AS on behalf of the settlement bank.

#### **Article 7 – Rule-based liquidity transfer orders**

1. An RTGS DCA holder may specify a floor and/or a ceiling amount for its RTGS DCA.
  - a) By setting a ceiling and opting for a rule-based liquidity transfer order, if, following the settlement of a payment order or AS transfer order, the ceiling is breached, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits an MCA designated by that RTGS DCA holder. The credited MCA may belong to another participant in TARGET-Danmark or in another TARGET component system.
  - b) By setting a floor and opting for a rule-based liquidity transfer order, if, following the settlement of a payment order or AS transfer order, the floor is breached, a rule-based liquidity transfer order is initiated that debits an MCA authorised by the MCA holder.

The debited MCA may belong to another participant in TARGET-Danmark or in another TARGET component system. The holder of the debited MCA must authorise its MCA to be debited in this manner.

2. An RTGS DCA holder may authorise its RTGS DCA to be debited in the event that a floor is breached in one or more specified MCAs in TARGET-Danmark or another TARGET component system. By authorising its RTGS DCA account to be debited, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits the MCA(s) whenever the floor is breached.
3. An RTGS DCA holder may authorise its MCA designated for the purpose of automated liquidity transfer orders under Article 1(5) and (6) to be debited in the event that there is insufficient liquidity on the RTGS DCA account to settle urgent payment orders, AS transfer orders or high priority payment orders on its RTGS DCA.

#### **Article 8 – Priority rules**

1. The order of priority for the processing of cash transfer orders, in descending order, shall be:
  - a) urgent;
  - b) high;
  - c) normal.
2. The following orders shall automatically be assigned the priority 'urgent':
  - a) AS transfer orders;
  - b) liquidity transfer orders, including automated liquidity transfer orders;
  - c) cash transfer orders to an AS technical account for RTGS AS settlement procedure D.
3. All cash transfer orders not listed in paragraph 2 shall automatically be assigned the priority 'normal', except payment orders to which the RTGS DCA holder has at its discretion assigned the priority 'high'.

#### **Article 9 – Processing of cash transfer orders on RTGS DCAs**

1. Cash transfer orders on RTGS DCAs shall be settled immediately they are accepted, or later as indicated by the RTGS DCA holder in accordance with Article 16 or Article 17, provided in all cases that:
  - a) there is available liquidity on the payer's RTGS DCA;
  - b) no cash transfer orders of equal or higher priority are queued; and
  - c) any debit limits set in accordance with Article 15 are observed.

2. If any of the conditions set out in points (a) to (c) of paragraph 1 are not met in relation to a cash transfer order, the following shall apply.
  - a) In the case of an automated liquidity transfer order, Danmarks Nationalbank shall be deemed instructed to execute the instruction partially and to execute further liquidity transfer orders whenever liquidity is available, up to the amount of the initial automated liquidity transfer order.
  - b) In the case of an immediate liquidity transfer order, the order shall be rejected without partial settlement or any further attempt to settle unless the order is initiated by an AS, in which case it shall be partially settled without any further attempt to settle.
  - c) In the case of a standing liquidity transfer order or a rule-based liquidity transfer order, the order shall be partially settled without any further attempt to settle. A standing liquidity transfer order triggered by mandatory RTGS AS settlement procedures C or D and for which there are insufficient funds on the RTGS DCA shall be settled following a pro rata reduction of all orders. A standing liquidity transfer order triggered by optional RTGS AS settlement procedure C and for which there are insufficient funds on the RTGS DCA shall be rejected.
3. Cash transfer orders on RTGS DCAs, other than those orders referred to in paragraph 2, shall be queued and processed in accordance with the rules set out in Article 10.

#### **Article 10 – Queue management and settlement optimisation**

1. Cash transfer orders on RTGS DCAs that are queued in accordance with Article 9(3) shall be processed according to their priority. Subject to paragraphs 2 to 5, the 'first in, first out' (FIFO) principle shall apply within each category or subcategory of cash transfer orders as follows:
  - a) urgent cash transfer orders: automated liquidity orders shall be placed first in the queue. AS transfer orders and other urgent cash transfer order shall be placed next in the queue;
  - b) high priority cash transfer orders shall not be settled while urgent cash transfer orders are queued;
  - c) normal priority cash transfer orders shall not be settled while urgent or high priority cash transfer orders are queued.
2. The payer may change the priority of its cash transfer orders other than urgent cash transfer orders.
3. The payer may change the position of its cash transfer orders in the queue. The payer may move such cash transfer orders either behind the automated liquidity transfer orders in the queue or to the end of the respective queue with immediate effect at any time during the settlement window for customer and interbank payments as specified in Appendix 5.

4. To optimise the settlement of queued cash transfer orders, Danmarks Nationalbank may:
  - a) use the optimisation procedures described in Appendix 1;
  - b) settle cash transfer orders with a lower priority (or of the same priority but accepted later) before cash transfer orders with a higher priority (or of the same priority but accepted earlier), if the cash transfer orders with a lower priority would net out with payments to be received and result on balance in a liquidity increase for the payer;
  - c) settle cash transfer orders with normal priority before other queued normal priority payments accepted earlier, provided that sufficient funds are available and notwithstanding that this may contravene the FIFO principle.
5. Queued cash transfer orders shall be rejected if they cannot be settled by the cut-off times for the relevant message type as specified in Appendix 5.
6. The provisions regarding settlement of cash transfer orders as set out in Appendix 1 shall apply.

#### **Article 11 – Liquidity reservation orders**

1. An RTGS DCA holder may instruct Danmarks Nationalbank to reserve a specified amount of liquidity on its RTGS DCA using one of the following:
  - a) a current liquidity reservation order that shall have immediate effect for the current TARGET business day;
  - b) a standing liquidity reservation order to be carried out at the start of every TARGET business day.
2. An RTGS DCA holder shall assign one of the following statuses to a current or standing liquidity reservation order:
  - a) high priority: allows the usage of the liquidity for urgent or high priority cash transfer orders;
  - b) urgent priority: allows the usage of the liquidity only for urgent cash transfer orders.
3. In the event that the amount of unreserved liquidity is not sufficient to fulfil the current or standing liquidity reservation order, Danmarks Nationalbank shall partially execute the reservation order and shall be deemed instructed to execute further reservation orders until the outstanding amount to be reserved is reached. Pending reservation orders shall be rejected at the end of the business day.
4. By requesting the reservation of a specified amount of liquidity for usage for urgent cash transfer orders, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank only to settle high priority and normal priority cash transfer orders if there is available liquidity after the amount reserved for usage for urgent cash transfer orders has been deducted.



5. By requesting the reservation of a specified amount of liquidity for usage for high priority cash transfer orders, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank only to settle normal priority cash transfer orders if there is available liquidity after the amount reserved for usage for urgent and high priority cash transfer orders has been deducted.

#### **Article 12 – Recall request and answer**

1. An RTGS DCA holder may enter a recall request to request the return of a settled payment order.
2. The recall request shall be forwarded to the payee of the settled payment order which may answer positively or negatively. A positive answer does not initiate a return of the funds.

#### **Article 13 – RTGS directory**

1. The RTGS directory is a list of BICs used for the purpose of routing information and comprises the BICs of:
  - a) RTGS DCA holders;
  - b) any entity with multi-addressee access;
  - c) addressable BIC holders.
2. The RTGS directory shall be updated daily.
3. Unless otherwise requested by an RTGS DCA holder, its BICs shall be published in the RTGS directory.
4. RTGS DCA holders may only distribute the RTGS directory to their branches and entities with multi-addressee access.
5. RTGS DCA holders accept that Danmarks Nationalbank and other CBs may publish RTGS DCA holders' names and BICs. In addition, BICs of addressable BIC holders or entities with multi-addressee access may be published and RTGS DCA holders shall ensure that addressable BIC holders or entities with multi-addressee access have agreed to such publication.

#### **Article 14 – Processing of cash transfer orders in the event of suspension or termination**

1. Upon termination of an RTGS DCA holder's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders from that RTGS DCA holder. Cash transfer orders in the queue, warehoused cash transfer orders or new cash transfer orders in favour of that RTGS DCA holder shall be rejected.
2. If an RTGS DCA holder's participation in TARGET-Danmark is suspended on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall store all of that RTGS DCA holder's incoming and outgoing cash transfer orders on its RTGS DCA and only submit

them for settlement after they have been explicitly accepted by the suspended RTGS DCA holder's CB.

3. If an RTGS DCA holder's participation in TARGET-Danmark is suspended on the grounds specified in Part I, Article 25(1)(a), any outgoing cash transfer orders from that RTGS DCA holder's RTGS DCA shall only be executed on the instructions of its representatives, including those appointed by a competent authority or court, such as the RTGS DCA holder's insolvency administrator, or pursuant to an enforceable decision of a competent authority or a court providing instructions as to how the cash transfer orders are to be processed. All incoming payments shall be processed in accordance with paragraph 2.

#### **Article 15 – Debit limits**

1. An RTGS DCA holder may limit the use of available liquidity for payment orders on its individual RTGS DCAs in relation to other RTGS DCAs, except any of the CBs, by specifying bilateral or multilateral limits. Such limits may only be defined in relation to normal priority payment orders.
2. By specifying a bilateral limit, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank that an accepted payment order shall not be settled if the sum of its outgoing normal priority payment orders to another RTGS DCA holder's RTGS DCA minus the sum of all incoming urgent, high priority and normal priority payments from that RTGS DCA (the net bilateral position) would exceed this bilateral limit.
3. An RTGS DCA holder may specify a multilateral limit for any relationship that is not subject to a bilateral limit. A multilateral limit may only be specified if the RTGS DCA holder has set at least one bilateral limit. If an RTGS DCA holder specifies a multilateral limit, it shall be deemed to have instructed Danmarks Nationalbank that an accepted payment order shall not be settled if the sum of its outgoing normal priority payment orders to all RTGS DCA holders' RTGS DCAs in relation to which no bilateral limit has been specified minus the sum of all incoming urgent, high priority and normal priority payments from those RTGS DCAs (the net multilateral position) would exceed this multilateral limit.
4. Limits may be changed in real time with immediate effect or with effect from the next business day. If a limit is changed to zero, it shall not be possible to change it again on the same business day. The definition of a new bilateral or multilateral limit shall only be effective from the next business day.

#### **Article 16 – Participants' instructions with regard to settlement times**

1. An RTGS DCA holder may indicate the earliest time before which a payment order cannot settle or the latest time after which time the payment order will be rejected by using the earliest debit time indicator or the latest debit time indicator, respectively, or may indicate a time range during which the payment order will settle by using both indicators. An RTGS DCA holder may also use the latest debit time indicator solely as a warning indicator. In such cases, the payment order concerned shall not be rejected.

2. In the event that 15 minutes prior to the indicated latest debit time the payment order has not been settled, the RTGS DCA holder concerned shall be notified accordingly.

#### **Article 17 – Payment orders submitted in advance**

1. Payment orders may be submitted up to 10 calendar days before the specified settlement date (warehoused payment orders).
2. Warehoused payment orders shall be accepted and submitted for processing on the date specified by the RTGS DCA holder at the start of the settlement window on that day for customer and interbank payments, as referred to in Appendix 5. They shall be placed in front of payment orders of the same priority.

#### **Article 18 – Direct debit**

1. An RTGS DCA holder (payer) may give its authorisation for another RTGS DCA holder (payee) in TARGET-Danmark or in another TARGET component system to debit the payer's RTGS DCA by direct debit.
2. To enable such arrangement the payer shall provide prior authorisation to Danmarks Nationalbank entitling Danmarks Nationalbank to debit the payer's RTGS DCA upon receipt of a valid direct debit instruction.
3. If a payee receives the authorisation as described in paragraph 1, it may submit direct debit instructions to debit the payer's RTGS DCA by the amount specified in the instruction.
4. An RTGS DCA holder that requests to be added to a settlement bank account group of an AS shall be deemed to have given authorisation to Danmarks Nationalbank entitling Danmarks Nationalbank to debit the RTGS DCA holder's RTGS DCA and sub-accounts upon receipt of a valid direct debit instruction by that AS.

#### **Article 19 – Back-up payment functionality**

In the event of failure of its payments infrastructure, an RTGS DCA holder may request Danmarks Nationalbank to activate the back-up payment functionality. This allows the RTGS DCA holder to enter certain payment orders using the Graphical User Interface (GUI).

#### **Article 20 – Security rights in relation to funds on sub-accounts**

1. The balance on an RTGS DCA holder's sub-account opened under the arrangements between the relevant AS and its CB for the settlement of AS-related payment instructions in accordance with RTGS AS settlement procedure C shall be frozen in the period stated in paragraph 2. During this period, the RTGS DCA holder has no right to dispose of the balance on the sub-account. The freezing and such balance shall collateralise the RTGS DCA holder's obligations referred to in paragraph 7 towards Danmarks Nationalbank.
2. Upon receipt by Danmarks Nationalbank of a 'start-of-cycle' message, Danmarks Nationalbank shall ensure that the balance on the sub-account of the RTGS DCA holder (including increases or reductions of that balance resulting from crediting or debiting cross-system settlement

payments to or from the sub-account, or from crediting liquidity transfers to the sub-account) at the moment the AS starts a cycle can only be used for the settlement of AS transfer orders related to that settlement procedure C. Upon receipt by Danmarks Nationalbank of an 'end-of-cycle' message the balance on the sub-account shall be available for the use of the RTGS DCA holder.

3. By confirming the balance on the RTGS DCA holder's sub-account, Danmarks Nationalbank guarantees to the AS payment up to the amount of this particular balance. By confirming, where applicable, the increase or reduction of the frozen balance upon crediting or debiting cross-system settlement payments to or from the sub-account or crediting liquidity transfers to the sub-account, the guarantee is automatically increased or reduced by the amount of the payment. Notwithstanding the abovementioned increase or reduction of the guarantee, the guarantee shall be irrevocable, unconditional and payable on first demand. If Danmarks Nationalbank is not the AS's CB, Danmarks Nationalbank shall be deemed instructed to issue the abovementioned guarantee to the AS's CB.
4. In the absence of any insolvency proceedings in relation to the RTGS DCA holder, the AS transfer orders for the squaring of the RTGS DCA holder's settlement obligation shall be settled without drawing on the guarantee and without realisation of the collateral right over the balance on the RTGS DCA holder's sub-account.
5. In the event of the RTGS DCA holder's insolvency, the AS transfer orders for the squaring of the RTGS DCA holder's settlement obligation shall be a first demand for payment under the guarantee; the debiting of the instructed amount from the RTGS DCA holder's sub-account (and crediting of the AS's RTGS AS technical account) shall therefore equally involve the discharge of the payment obligation by Danmarks Nationalbank and realisation of its collateral right over the balance on the RTGS DCA holder's sub-account.
6. The guarantee shall expire upon receipt by Danmarks Nationalbank of an 'end-of-cycle' message confirming that the settlement has been completed.
7. The RTGS DCA holder shall be obliged to reimburse to Danmarks Nationalbank any payment made by the latter under such guarantee.

## Del IV Special terms and conditions for TARGET2-Securities dedicated cash accounts (T2S DCAs)

### Article 1 – Opening and management of a T2S DCA

1. Danmarks Nationalbank shall on the request of an MCA holder open and operate one or more T2S DCAs.
2. There shall be no debit balance on a T2S DCA.
3. A T2S DCA holder shall designate one MCA for the purpose of processing liquidity transfer orders between T2S DCAs as referred to in Article 3(1)(c). The designated MCA may be registered in TARGET-Danmark or another TARGET component system and may belong to a different participant.

### Article 2 – Links between securities accounts and T2S DCAs

1. A T2S DCA holder may request Danmarks Nationalbank to link its T2S DCA to one or more securities account(s) held on its own behalf or on behalf of its clients which hold securities accounts in one or more participating CSDs.
2. T2S DCA holders linking their T2S DCAs to securities accounts on behalf of clients as set out in paragraph 1 are responsible for establishing and maintaining the list of linked securities accounts and, where relevant, the set-up of the client-collateralisation feature.
3. As a result of the request under paragraph 1, the T2S DCA holder is deemed to have given a mandate to the CSD where such linked securities accounts are maintained to debit the T2S DCA with the amounts resulting from securities transactions taking place on these securities accounts.
4. Paragraph 3 shall apply regardless of any agreements made by the T2S DCA holder with the CSD and/or the securities account holders.

### Article 3 – Transactions processed on T2S DCAs

1. The following transactions shall be processed via a T2S DCA in TARGET-Danmark:
  - a) the settlement of cash instructions stemming from T2S provided that the T2S DCA holder has designated the relevant securities account(s), as referred to in Article 2;
  - b) liquidity transfer orders to an RTGS DCA, a TIPS DCA or an MCA;
  - c) liquidity transfer orders between T2S DCAs belonging to the same participant or in respect of which the same MCA has been designated pursuant to Article 1(3);
  - d) cash transfer orders between the T2S DCA and the T2S DCA of Danmarks Nationalbank in the particular context of Article 10(2) and (3).

2. Corporate actions payments may be processed via a T2S DCA.

#### **Article 4 – Liquidity transfer orders**

A T2S DCA holder may submit liquidity transfer orders as one of the following:

- a) an immediate liquidity transfer order, which shall be an instruction for execution immediately;
- b) a standing liquidity transfer order, which shall be an instruction for the recurring execution of (i) a transfer of a specified transfer amount or (ii) a transfer to reduce the balance of the T2S DCA to a predefined level with the amount of the reduction being transferred to an RTGS DCA, a TIPS DCA or an MCA, on the occurrence of a predefined event each business day;
- c) a predefined liquidity transfer order, which shall be an instruction for the single execution of (i) a transfer of a specified transfer amount or (ii) a transfer to reduce the balance of the T2S DCA to a predefined level with the amount of the reduction being transferred to an RTGS DCA, a TIPS DCA or an MCA, on the occurrence of a predefined event each business day.

#### **Article 5 – Reservation and blocking of liquidity**

1. Participants may reserve or block liquidity on their T2S DCAs. This does not constitute a settlement guarantee vis-à-vis any third party.
2. By requesting to reserve or block an amount of liquidity, a participant instructs Danmarks Nationalbank to decrease the available liquidity by this amount.
3. A reservation request is an instruction by which, if the available liquidity is equal to or higher than the amount to be reserved, the reservation is processed. If the available liquidity is lower, it is reserved and the shortfall may be met by incoming liquidity until the full amount of the reservation is available.
4. A blocking request is an instruction by which, if the available liquidity is equal to or higher than the amount to be blocked, the blocking request is processed. If the available liquidity is lower, no amount is blocked and the blocking request is resubmitted, until the full amount of the blocking request can be met by available liquidity.
5. The participant may at any time during the business day on which a request to reserve or block liquidity has been processed, instruct Danmarks Nationalbank to cancel the reservation or blocking. Partial cancellation shall not be permitted.
6. All requests for reservation or blocking of liquidity under this article shall expire at the end of the business day.

#### **Article 6 – Processing of liquidity transfer orders on T2S DCAs**

1. A timestamp for the processing of liquidity transfer orders is allocated in the sequence of their receipt.

2. All liquidity transfer orders submitted to TARGET-Danmark shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.
3. After a liquidity transfer order to a TIPS DCA, an MCA, an RTGS DCA or a T2S DCA has been accepted as set out in Part I, Article 17, TARGET-Danmark shall check if sufficient funds are available on the payer's T2S DCA to effect settlement. If sufficient funds are available, the liquidity transfer order shall be settled immediately. If sufficient funds are not available, the following shall apply:
  - a) in the case of an immediate liquidity transfer order, the order shall be rejected without partial settlement or any further attempt to settle unless these are initiated by a third party as designated in accordance with Part I, Article 7, in which case they shall be partially settled without any further attempt to settle;
  - b) in the case of a predefined or standing liquidity transfer order, the order shall be partially settled without any further attempt to settle.

#### **Article 7 – Processing of cash transfer orders in the event of suspension or termination**

1. Upon termination of a T2S DCA holder's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders from that T2S DCA holder.
2. If a T2S DCA holder's participation in TARGET-Danmark is suspended on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall store all of that T2S DCA holder's incoming and outgoing cash transfer orders on its T2S DCA and only submit them for settlement after they have been explicitly accepted by the suspended T2S DCA holder's CB.
3. If a T2S DCA holder's participation in TARGET-Danmark is suspended on the grounds specified in Part I, Article 25(1)(a), any outgoing cash transfer orders from that T2S DCA holder's T2S DCA shall only be processed on the instructions of its representatives, including those appointed by a competent authority or a court, such as the T2S DCA holder's insolvency administrator, or pursuant to an enforceable decision of a competent authority or a court providing instructions as to how the cash transfer orders are to be processed. All incoming cash transfer orders shall be processed in accordance with paragraph 2.

#### **Article 8 – Eligible entities for auto-collateralisation facilities**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

#### **Article 9 – Eligible collateral for auto-collateralisation operations**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

#### **Article 10 – Credit provision and recovery procedure**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

**Article 11 – Suspension, limitation or termination of auto-collateralisation facilities**

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;



## Part V Special terms and conditions for TARGET instant payment settlement (TIPS) dedicated cash accounts (TIPS DCAs)

### Article 1 – Opening and management of a TIPS DCA

1. Danmarks Nationalbank shall on the request of an MCA holder open and operate one or more TIPS DCAs.
2. There shall be no debit balance on a TIPS DCA.

### Article 2 – Sending and receiving messages

1. A TIPS DCA holder may send messages:
  - a) directly; and/or
  - b) via one or more instructing parties.
2. A TIPS DCA holder may receive messages:
  - a) directly; or
  - b) via an instructing party.
3. Part I, Article 7, shall apply to a TIPS DCA holder that sends or receives messages via an instructing party as though that TIPS DCA holder sends or receives messages directly.

### Article 3 – Reachable parties

1. A TIPS DCA holder may designate one or more reachable parties. Reachable parties shall have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement.
2. A TIPS DCA holder shall provide evidence to Danmarks Nationalbank of each designated reachable party's adherence to the SCT Inst scheme.
3. A TIPS DCA holder shall inform Danmarks Nationalbank if any designated reachable party no longer adheres to the SCT Inst scheme and shall, without undue delay, take steps to prevent the reachable party from accessing the TIPS DCA.
4. A TIPS DCA holder may allow its designated reachable parties access via one or more instructing parties.
5. Part I, Article 7, shall apply to TIPS DCA holders that designate reachable parties.
6. A TIPS DCA holder that has designated a reachable party shall ensure that at all times that reachable party is available for the purpose of receiving messages.

### Article 4 – Transactions processed on TIPS DCAs

1. The following transactions shall be processed via a TIPS DCA in TARGET-Danmark:

- a) instant payment orders;
- b) positive recall answers;
- c) liquidity transfer orders to TIPS AS technical accounts, MCAs, T2S DCAs or RTGS DCAs;
- d) liquidity transfer orders to sub-accounts;
- e) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

#### **Article 5 – Immediate liquidity transfer orders**

A TIPS DCA holder may submit immediate liquidity transfer orders.

#### **Article 6 – Processing of cash transfer orders on TIPS DCAs**

1. A timestamp for the processing of cash transfer orders is allocated in the sequence of their receipt.
2. All cash transfer orders submitted to TARGET-Danmark shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.
3. After an instant payment order has been accepted as set out in Part I, Article 17, TARGET-Danmark shall check if sufficient funds are available on the payer's TIPS DCA to effect settlement and the following shall apply:
  - a) if sufficient funds are not available, the request for the instant payment order shall be rejected;
  - b) if sufficient funds are available, the corresponding amount shall be reserved while awaiting the payee's response. In the event of acceptance by the payee, the instant payment order shall be settled and the reservation shall be simultaneously lifted. In the event of rejection by the payee or the absence of a timely response, within the meaning of the SCT Inst scheme, the instant payment order shall be rejected and the reservation shall be simultaneously lifted.
4. Funds reserved in accordance with paragraph 3(b) shall not be available for the settlement of subsequent cash transfer orders.
5. Without prejudice to paragraph 3(b), Danmarks Nationalbank shall reject an instant payment order if the amount of the instant payment order exceeds any applicable credit memorandum balance (CMB).
6. After an immediate liquidity transfer order has been accepted as set out in Part I, Article 17, TARGET-Danmark shall check if sufficient funds are available on the payer's TIPS DCA. If sufficient funds are not available, the liquidity transfer order shall be rejected.
7. After a positive recall answer has been accepted as set out in Part I, Article 17, TARGET-Danmark shall check if sufficient funds are available on the TIPS DCA to be debited. If sufficient

funds are not available, the positive recall answer shall be rejected. If sufficient funds are available, the positive recall answer shall be settled immediately.

8. Without prejudice to paragraph 7, TARGET-Danmark shall reject positive recall answers if the amount of the positive recall answer exceeds any applicable CMB.

#### **Article 7 – Recall request**

1. A TIPS DCA holder may submit a recall request.
2. The recall request shall be forwarded to the payee of the settled instant payment order which may answer with a positive or a negative recall answer.

#### **Article 8 – TIPS directory**

1. The TIPS directory is a list of BICs used for the purpose of routing information and comprises the BICs of:
  - a) TIPS DCA holders;
  - b) reachable parties.
2. The TIPS directory shall be updated daily.
3. TIPS DCA holders may only distribute the TIPS directory to their branches, their designated reachable parties and their instructing parties. Reachable parties may only distribute the TIPS directory to their branches.
4. A specific BIC shall only appear once in the TIPS directory.
5. TIPS DCA holders accept that Danmarks Nationalbank and other CBs may publish their names and BICs. In addition, Danmarks Nationalbank and other CBs may publish names and BICs of reachable parties designated by TIPS DCA holders and TIPS DCA holders shall ensure that reachable parties have agreed to such publication.

#### **Article 9 – MPL repository**

1. The central Mobile Proxy Lookup (MPL) repository contains the proxy-IBAN mapping table for the purposes of the MPL service.
2. Each proxy may be linked to only one IBAN. An IBAN may be linked to one or multiple proxies.
3. Part I, Article 28, shall apply to the data contained in the MPL repository.

#### **Article 10 – Processing of cash transfer orders in the event of suspension or termination**

1. Upon termination of a TIPS DCA holder's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders from or payments to that TIPS DCA holder.

2. If a TIPS DCA holder's participation in TARGET-Danmark is suspended on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall:
  - a) reject all of the holder's incoming payments;
  - b) reject all of the holder's outgoing cash transfer orders; or
  - c) reject both the holder's incoming payments and outgoing cash transfer orders.
3. If a TIPS DCA holder's participation in TARGET-Danmark is suspended on the grounds specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall reject all of the holder's incoming payments and outgoing cash transfer orders.
4. Danmarks Nationalbank shall process instant payment orders of a TIPS DCA holder whose participation in TARGET-Danmark has been suspended or terminated under Part I, Article 25(1) or (2) and in relation to which Danmarks Nationalbank has reserved funds on a TIPS DCA pursuant to Article 6(3)(b) prior to the suspension or termination.

## Part VI Special terms and conditions for ancillary systems (AS) using real-time gross settlement ancillary system (RTGS AS) settlement procedures

### **Article 1 – Opening and management of an AS technical account and use of RTGS AS settlement procedures**

1. Danmarks Nationalbank may on the request of an AS open and operate one or more RTGS AS technical accounts to support RTGS AS settlement procedures.
2. There shall be no debit balance on an RTGS AS technical account.
3. RTGS AS technical accounts shall not be published in the RTGS directory.
4. The AS shall select at least one of the following settlement procedures for the purposes of processing AS transfer orders:
  - a) RTGS AS settlement procedure A;
  - b) RTGS AS settlement procedure B;
  - c) RTGS AS settlement procedure C;
  - d) RTGS AS settlement procedure D;
  - e) RTGS AS settlement procedure E.
5. The rules set out in Articles 3, 4, 5, 6 and 7 shall apply to RTGS AS settlement procedures A, B, C, D and E, respectively.

### **Article 2 – Priority of AS transfer orders**

All AS transfer orders shall automatically be assigned the priority 'urgent'.

### **Article 3 – RTGS AS settlement procedure A**

NOT APPLICABLE TO AS PARTICIPATING IN TARGET-DANMARK.

### **Article 4 – RTGS AS settlement procedure B**

NOT APPLICABLE TO AS PARTICIPATING IN TARGET-DANMARK.

### **Article 5 – RTGS AS settlement procedure C**

1. Settlement procedure C supports settlement using dedicated liquidity on sub-accounts. An AS shall request a dedicated RTGS AS technical account to support the processing of AS transfer orders using settlement procedure C. The balance on such account shall be zero at the end of the day. RTGS AS technical accounts may also be used to support the processing of AS transfer

orders using settlement procedure E (settlement procedure E is not applicable to AS participating in TARGET-Danmark).

2. An AS shall ensure that each settlement bank opens at least one sub-account that is only to be used by the AS for the purposes of this settlement procedure.
3. Danmarks Nationalbank shall start a mandatory settlement procedure C automatically on each TARGET business day according to the schedule set out in Appendix 5 that shall trigger the settlement of those standing liquidity transfer orders set up for mandatory settlement procedure C by debiting the RTGS DCAs of the settlement banks and crediting the sub-account referred to in paragraph 2.
4. Settlement procedure C shall close by means of an end-of-procedure message, which may be sent by the AS at any time prior to the cut-off time for interbank payments as set out in Appendix 5. If the AS does not send the end-of-procedure message by that cut-off time, Danmarks Nationalbank shall close the procedure at that cut-off time.
5. The closure of the mandatory settlement procedure C leads to an automatic transfer of liquidity from the sub-account referred to in paragraph 2 to the RTGS DCA.
6. If the mandatory settlement procedure C is closed, the AS may start an optional procedure at any time before the cut-off time for interbank payments as set out in Appendix 5 that shall trigger the settlement of those standing liquidity transfer orders set up for optional settlement procedure C by debiting the settlement bank's RTGS DCA and crediting its RTGS sub-account. The AS may start and close one or several successive optional procedures before the cut-off time for interbank payments. The closure of an optional settlement procedure C leads to an automatic transfer of liquidity from the sub-account referred to in paragraph 2 to the RTGS DCA.
7. The mandatory settlement procedure C and any subsequent optional settlement procedure C may consist of one or several cycles.
8. An AS may, at any time after the start of a mandatory or optional settlement procedure C, start a cycle by means of a 'start-of-cycle' message. After the start of the cycle, liquidity transfers from the sub-account referred to in paragraph 2 may not be made until an 'end-of-cycle' message is sent by the AS. The balance can be changed during the cycle as a result of cross-system settlement payments or if a settlement bank transfers liquidity to its sub-account. Danmarks Nationalbank shall notify the AS of the reduction or increase of liquidity on the sub-account as a result of cross-system settlement payments. If the AS so requests, Danmarks Nationalbank shall also notify it of the increased liquidity on the sub-account as a result of liquidity transfer orders by the settlement bank.
9. An AS may submit AS transfer orders as a batch in one or several files while the cycle is open. The cash transfer orders may be for any of the following transactions:
  - a) the debit of the sub-accounts of settlement banks and credit of the RTGS AS technical account;

- b) the debit of the RTGS AS technical account and credit of the sub-accounts of settlement banks;
- c) the debit of the RTGS AS technical account and credit of the RTGS DCAs of settlement banks.

10. Danmarks Nationalbank shall immediately settle those AS transfer orders that can be settled. AS transfer orders that cannot be settled immediately shall be queued and an optimisation algorithm shall be applied. Any AS transfer orders which remain unsettled at the time the cycle is closed shall be rejected.

11. The AS shall be notified at the latest by the end of the cycle of the status of the individual AS transfer orders.

#### **Article 6 – RTGS AS settlement procedure D**

NOT APPLICABLE TO AS PARTICIPATING IN TARGET-DANMARK.

#### **Article 7 – RTGS AS settlement procedure E**

NOT APPLICABLE TO AS PARTICIPATING IN TARGET-DANMARK.

#### **Article 8 – Information period and settlement period**

1. The 'information period' service allows the AS to inform its settlement banks of the liquidity needed to ensure successful settlement. This optional service allows the AS to define a period before the start of the settlement of the AS transfer orders. During that period, and at the request of the settlement bank, the AS may revoke either single RTGS AS transfer orders (for RTGS AS settlement procedure E) or files (for RTGS AS settlement procedures A and B). An AS may also request Danmarks Nationalbank to perform such revocation on its behalf.
2. In the event that an AS, or Danmarks Nationalbank on its behalf, revokes single AS transfer orders (for RTGS AS settlement procedure E) or files (for RTGS AS settlement procedures A and B) during the 'information period', the processing of the AS transfer orders shall be cancelled.
3. The 'settlement period' service allows the AS to define a period until which the settlement of the AS transfer orders can take place. This service is a prerequisite for the use of a guarantee fund account, and is optional for the use of AS technical accounts.
4. During the 'settlement period' the AS, or Danmarks Nationalbank on its behalf, may revoke either single RTGS AS transfer orders (for RTGS AS settlement procedure E) or files (for RTGS AS settlement procedures A and B) that do not have a final status and the following shall apply:
  - a) if RTGS AS settlement procedure E is used for bilateral settlement, the relevant AS transfer orders shall be reversed;
  - b) if RTGS AS settlement procedure E is not used for bilateral settlement, or if in RTGS AS settlement procedure A the entire settlement fails, any settled AS transfer orders in the

file shall be reversed, and all settlement banks and the AS shall be informed via a broadcast message;

- c) if RTGS AS settlement procedure B is used, the entire settlement fails, and all settlement banks and the AS shall be informed via a broadcast message.

#### **Article 9 – Cross-system settlement**

1. Cross-system settlement allows an AS to credit the RTGS AS technical account of another AS or sub-account of a settlement bank of another AS and is available for AS using RTGS AS settlement procedures C or D.
2. Danmarks Nationalbank shall, on the request of the AS, allow cross-system settlement between that AS and another AS in TARGET-Danmark or another TARGET component system. The requesting AS shall provide Danmarks Nationalbank with the authorisation of the other AS.
3. Cross-system settlement may only be initiated if two AS have opened a settlement procedure. Furthermore, if the cross-system settlement is initiated by an AS using RTGS AS settlement procedure C, a settlement cycle may also be open for that AS.
4. An AS using settlement RTGS AS settlement procedure C in the context of cross-system settlement shall only submit AS transfer orders individually that debit the sub-account of one of its AS settlement banks. These AS transfer orders would credit the sub-account of the receiving AS settlement bank if that receiving AS is using RTGS AS settlement procedure C, or would credit the RTGS AS technical account of the receiving AS if that AS is using RTGS AS settlement procedure D.
5. An AS using settlement RTGS AS settlement procedure D in the context of cross-system settlement shall only submit AS transfer orders individually that debit its RTGS AS technical account. These AS transfer orders would credit the sub-account of the receiving AS settlement bank if that receiving AS is using RTGS AS settlement procedure C, or would credit the RTGS AS technical account of the receiving AS if that AS is using RTGS AS settlement procedure D.

Both AS using cross-system settlement shall be notified via a broadcast message of the settlement or rejection of the AS transfer orders.

#### **Article 10 – Effect of suspension or termination**

If the suspension or termination of the use of the AS settlement procedures by an AS occurs during the settlement cycle of AS transfer orders, Danmarks Nationalbank may complete the settlement cycle.

#### **Article 11 – Additional requirements for AS**

The RTGS AS technical account shall be registered to the AS. Nevertheless, the amounts registered in the account belong to the settlement banks, and the AS shall not hold own funds in the technical account. The AS shall be obliged to ensure that the contractual relationship between the AS and the settlement banks and the legal set-up of this account ensures that the right of ownership



of the assets registered in the RTGS AS technical account at any time belongs to the settlement banks. In this context, the AS shall also ensure that, at any time, it is possible to establish the individual settlement bank's share of the balance held in the RTGS AS technical account at any time.

## Del VII Special terms and conditions for ancillary systems (AS) using the TARGET instant payment settlement (TIPS) ancillary system settlement procedure (TIPS AS settlement procedure)

### **Article 1 – Opening and management of a TIPS AS technical account**

1. Danmarks Nationalbank may on the request of an AS that settles instant payments to the SCT Inst scheme or near instant payments in its own books, open and operate one or more TIPS AS technical accounts.
2. There shall be no debit balance on a TIPS AS technical account.
3. The AS shall use a TIPS AS technical account to collect the necessary liquidity set aside by its clearing members to fund their positions.
4. The AS may opt to receive notifications of the crediting and debiting of its TIPS AS technical account. If the AS opts for this service, notification is provided immediately upon the debit or credit of the TIPS AS technical account.
5. An AS may send instant payment orders and positive recall answers to any TIPS DCA holder or TIPS AS technical account holder. An AS shall receive and process instant payment orders, recall requests and positive recall answers from any TIPS DCA holder or TIPS AS technical account holder.

### **Article 2 – Sending and receiving messages**

1. A TIPS AS technical account holder may send messages:
  - a) directly;
  - b) via one or more instructing parties.
2. A TIPS AS technical account holder may receive messages:
  - a) directly;
  - b) via one instructing party.
3. Part I, Article 7, shall apply to a TIPS AS technical account holder that sends or receives messages via an instructing party as though that TIPS AS technical account holder sends or receives messages directly.

### **Article 3 – Immediate liquidity transfer orders**

A TIPS AS technical account holder may submit immediate liquidity transfer orders.

#### **Article 4 – Processing of cash transfer orders on TIPS AS technical accounts**

1. A timestamp for the processing of cash transfer orders is allocated in the sequence of their receipt.
2. All cash transfer orders submitted to TARGET-Danmark shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.
3. After an instant payment order has been accepted as set out in Part I, Article 17, TARGET-Danmark shall check if sufficient funds are available on the payer's TIPS DCA to effect settlement and the following shall apply:
  - a) if sufficient funds are not available, the request for the instant payment order shall be rejected;
  - b) if sufficient funds are available, the corresponding amount shall be reserved while awaiting the payee's response. In the event of acceptance by the payee, the instant payment order shall be settled and the reservation shall be simultaneously lifted. In the event of rejection by the payee or the absence of a timely response, within the meaning of the SCT Inst scheme, the instant payment order shall be rejected and the reservation shall be simultaneously lifted.
4. Funds reserved in accordance with paragraph 3(b) shall not be available for the settlement of subsequent cash transfer orders.
5. Without prejudice to paragraph 3(b), Danmarks Nationalbank shall reject an instant payment order if the amount of the instant payment order exceeds any applicable credit memorandum balance (CMB).
6. After a liquidity transfer order from a TIPS AS technical account to a TIPS DCA has been accepted as set out in Part I, Article 17, Danmarks Nationalbank shall check if sufficient funds are available on the payer's TIPS AS technical account. If sufficient funds are not available, the liquidity transfer order shall be rejected. If sufficient funds are available, the liquidity transfer order shall be settled immediately.
7. After a positive recall answer has been accepted as set out in Part I, Article 17, Danmarks Nationalbank shall check if sufficient funds are available on the TIPS AS technical account to be debited. If sufficient funds are not available, the positive recall answer shall be rejected. If sufficient funds are available, the positive recall answer shall be settled immediately.
8. Without prejudice to paragraph 7, Danmarks Nationalbank shall reject positive recall answers if the amount of the positive recall answer exceeds any applicable CMB.

#### **Article 5 – Recall request**

1. A TIPS AS technical account holder may submit a recall request.

2. The recall request shall be forwarded to the payee of the settled instant payment order which may answer with a positive or a negative recall answer.

#### **Article 6 – TIPS AS settlement procedure**

1. The TIPS AS settlement procedure shall be operational during the times set out in Appendix 5.

#### **Article 7 – Reachable parties via a TIPS AS technical account**

1. A TIPS AS technical account holder may designate one or more reachable parties. Reachable parties shall have adhered to the SCT Inst scheme signing the SEPA Instant Credit Transfer Adherence Agreement and, if they are addressable in TARGET as RTGS DCA holders, addressable BIC holders or as entities referred to in Part III, Article 3(1), point (a), having been authorised to use an RTGS DCA by way of multi-addressee access, they shall hold a TIPS DCA or be reachable via a TIPS DCA.
2. A TIPS AS technical account holder shall provide evidence to Danmarks Nationalbank of each designated reachable party's adherence to the SCT Inst scheme.
3. A TIPS AS technical account holder shall inform Danmarks Nationalbank if any designated reachable party no longer adheres to the SCT Inst scheme and shall, without undue delay, take steps to prevent the reachable party from accessing the TIPS AS technical account.
4. A TIPS AS technical account holder may allow its designated reachable parties access via one or more instructing parties.
5. Part I, Article 7, shall apply to an AS that has designated reachable parties.
6. A TIPS AS technical account holder that has designated a reachable party shall ensure that reachable party is at all times available for the purpose of receiving messages.

#### **Article 8 – Transactions processed on TIPS AS technical accounts**

1. The following transactions shall be processed via a TIPS AS technical account in TARGET-Danmark:
  - a) instant payment orders;
  - b) positive recall answers;
  - c) liquidity transfer orders to TIPS DCAs.

#### **Article 9 – TIPS directory**

1. The TIPS directory is a list of BICs used for the purpose of routing information and comprises the BICs of:
  - a) TIPS DCA holders;
  - b) reachable parties.

2. The TIPS directory shall be updated daily.
3. TIPS AS technical account holders may only distribute the TIPS directory to their designated reachable parties and their instructing parties. Reachable parties may only distribute the TIPS directory to their branches.
4. A specific BIC shall only appear once in the TIPS directory.
5. TIPS AS technical account holders accept that Danmarks Nationalbank and other CBs may publish names and BICs of reachable parties designated by TIPS AS technical account holders and TIPS AS technical account holders shall ensure that reachable parties have agreed to such publication.

#### **Article 10 – MPL repository**

1. The central Mobile Proxy Lookup (MPL) repository contains the proxy-IBAN mapping table for the purposes of the MPL service.
2. Each proxy may be linked to only one IBAN. An IBAN may be linked to one or multiple proxies.
3. Part I, Article 28, shall apply to the data contained in the MPL repository.

#### **Article 11 – Processing of cash transfer orders in the event of suspension or termination**

1. Upon termination of a TIPS AS technical account holder's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders to or from that TIPS AS technical account holder.
2. If a TIPS AS technical account holder's participation in TARGET-Danmark is suspended on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall:
  - a) reject all of the holder's incoming payments;
  - b) reject all of the holder's outgoing cash transfer orders;
  - c) reject both the holder's incoming payments and outgoing cash transfer orders.
3. If a TIPS AS technical account holder's participation in TARGET-Danmark is suspended on the grounds specified in Part I, Article 25(1)(a), the suspended TIPS AS technical account holder's CB shall reject all of its incoming and outgoing cash transfer orders.
4. Danmarks Nationalbank shall process instant payment orders of a TIPS AS technical account holder whose participation in TARGET-Danmark has been suspended or terminated under Part I, Article 25(1) or (2) and in relation to which Danmarks Nationalbank has reserved funds on a TIPS AS technical account pursuant to Article 4(3)(b) prior to the suspension or termination.

# Appendix 1 – Technical specifications for the processing of cash transfer orders

In addition to the Harmonised Conditions, the following rules shall apply to the processing of cash transfer orders:

## 1. Testing requirements for participation in TARGET-Danmark

Each participant shall pass a series of tests to prove its technical and operational competence before it may participate in TARGET-Danmark.

## 2. Account numbers

Each participant's account shall be identified by a unique account number of up to 34 characters made up of five sections as follows:

| Name                         | No. of characters | Contents   |
|------------------------------|-------------------|--|
| Account type                 | 1                 | M = MCA<br>R = RTGS DCA<br>C = T2S DCA<br>I = TIPS DCA<br>T = RTGS AS technical account<br>U = Sub-account<br>A = TIPS AS technical account<br>G = AS guarantee fund account<br>D = Overnight deposit account<br>X = Contingency account |
| Country code of central bank | 2                 | ISO Country code: 3166-1   |
| Currency code                | 3                 | EUR  |
| BIC                          | 11                | Account holder BIC   |
| Account name                 | Max. 17           | Free text <sup>3</sup>   |

## 3. Messaging rules in TARGET

- a) Each participant shall comply with the message structure and field specifications, as defined in Part 3 of the relevant User Detailed Functional Specifications (UDFS).

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<sup>3</sup> For sub-accounts this section must start with the 3-character AS code as defined by the central bank.

- b) Business application headers shall be attached to all message types processed on MCAs, RTGS DCAs (including sub-accounts), RTGS AS technical accounts, AS guarantee fund accounts and T2S DCAs as follows:

| Message Type | Description                 |
|--------------|-----------------------------|
| head.001     | Business application header |
| head.002     | Business file header        |

#### 4. Message types processed in TARGET

- a) The following message types are processed on MCAs:

| Message Type                  | Description                  |
|-------------------------------|------------------------------|
| <b>Administration (admi)</b>  |                              |
| admi.004                      | SystemEventNotification      |
| admi.005                      | ReportQueryRequest           |
| admi.007                      | ReceiptAcknowledgement       |
| <b>Cash Management (camt)</b> |                              |
| camt.003                      | GetAccount                   |
| camt.004                      | ReturnAccount                |
| camt.005                      | GetTransaction               |
| camt.006                      | ReturnTransaction            |
| camt.018                      | GetBusinessDayInformation    |
| camt.019                      | ReturnBusinessDayInformation |
| camt.025                      | Receipt                      |
| camt.046                      | GetReservation               |
| camt.047                      | ReturnReservation            |
| camt.048                      | ModifyReservation            |
| camt.049                      | DeleteReservation            |
| camt.050                      | LiquidityCreditTransfer      |
| camt.053                      | BankToCustomerStatement      |

|  |  |
|--|--|
| camt.054   | BankToCustomerDebitCreditNotifica-<br>tion |
| <b>Payments Clearing and Set-<br/>tlement (pacs)</b> |  |
| pacs.009   | FinancialInstitutionCreditTransfer         |
| pacs.010   | FinancialInstitutionDirectDebit            |

- b) The following message types are processed on RTGS DCAs and, where relevant, on RTGS AS technical accounts and AS guarantee fund accounts:

|                               |                                  |
|-------------------------------|----------------------------------|
| <b>Administration (admi)</b>  |                                  |
| admi.004                      | SystemEventNotification          |
| admi.005                      | ReportQueryRequest               |
| admi.007                      | ReceiptAcknowledgement           |
| <b>Cash Management (camt)</b> |                                  |
| camt.003                      | GetAccount                       |
| camt.004                      | ReturnAccount                    |
| camt.005                      | GetTransaction                   |
| camt.006                      | ReturnTransaction                |
| camt.007                      | ModifyTransaction                |
| camt.009                      | GetLimit                         |
| camt.010                      | ReturnLimit                      |
| camt.011                      | ModifyLimit                      |
| camt.012                      | DeleteLimit                      |
| camt.018                      | GetBusinessDayInformation        |
| camt.019                      | ReturnBusinessDayInformation     |
| camt.021                      | ReturnGeneralBusinessInformation |
| camt.025                      | Receipt                          |
| camt.029                      | ResolutionOfInvestigation        |
| camt.046                      | GetReservation                   |



|  |  |
|--|--|
| camt.047   | ReturnReservation                          |
| camt.048   | ModifyReservation                          |
| camt.049   | DeleteReservation                          |
| camt.050   | LiquidityCreditTransfer                    |
| camt.053   | BankToCustomerStatement                    |
| camt.054   | BankToCustomerDebitCreditNotifica-<br>tion |
| camt.056   | FIToFIPaymentCancellationRequest           |
|  |  |
| <b>Payments Clearing and Set-<br/>tlement (pacs)</b> |  |
| pacs.002   | PaymentStatusReport                        |
| pacs.004   | PaymentReturn                              |
| pacs.008   | CustomerCreditTransfer                     |
| pacs.009   | FinancialInstitutionCreditTransfer         |
| pacs.010   | FinancialInstitutionDirectDebit            |
| <b>Payments Initiation (pain)</b>                    |  |
| pain.998   | ASInitiationStatus                         |
| pain.998   | ASTransferNotice                           |
| pain.998   | ASTransferInitiation                       |

c) The following message types are processed on T2S DCAs:

| Message Type                  | Description                          |
|-------------------------------|--------------------------------------|
| <b>Administration (admi)</b>  |                                      |
| admi.005                      | ReportQueryRequest                   |
| admi.006                      | ResendRequestSystemEventNotification |
| admi.007                      | ReceiptAcknowledgement               |
| <b>Cash Management (camt)</b> |                                      |

|          |   |
|----------|---|
| camt.003 | GetAccount  |
| camt.004 | ReturnAccount                                       |
| camt.005 | GetTransaction                                      |
| camt.006 | ReturnTransaction                                   |
| camt.009 | GetLimit  |
| camt.010 | ReturnLimit   |
| camt.011 | ModifyLimit   |
| camt.012 | DeleteLimit   |
| camt.018 | GetBusinessDayInformation                           |
| camt.019 | ReturnBusinessDayInformation                        |
| camt.024 | ModifyStandingOrder                                 |
| camt.025 | Receipt   |
| camt.050 | LiquidityCreditTransfer                             |
| camt.051 | LiquidityDebitTransfer                              |
| camt.052 | BankToCustomerAccountReport                         |
| camt.053 | BankToCustomerStatement                             |
| camt.054 | BankToCustomerDebitCreditNotification               |
| camt.064 | LimitUtilisationJournalQuery                        |
| camt.065 | LimitUtilisationJournalReport                       |
| camt.066 | IntraBalanceMovementInstruction                     |
| camt.067 | IntraBalanceMovementStatusAdvice                    |
| camt.068 | IntraBalanceMovementConfirmation                    |
| camt.069 | GetStandingOrder                                    |
| camt.070 | ReturnStandingOrder                                 |
| camt.071 | DeleteStandingOrder                                 |
| camt.072 | IntraBalanceMovementModificationRequest             |
| camt.073 | IntraBalanceMovementModificationRequestStatusAdvice |

|          |   |
|----------|---|
| camt.074 | IntraBalanceMovementCancellationRequest             |
| camt.075 | IntraBalanceMovementCancellationRequestStatusAdvice |
| camt.078 | IntraBalanceMovementQuery                           |
| camt.079 | IntraBalanceMovementQueryResponse                   |
| camt.080 | IntraBalanceModificationQuery                       |
| camt.081 | IntraBalanceModificationReport                      |
| camt.082 | IntraBalanceCancellationQuery                       |
| camt.083 | IntraBalanceCancellationReport                      |
| camt.084 | IntraBalanceMovementPostingReport                   |
| camt.085 | IntraBalanceMovementPendingReport                   |

d) The following message types are processed on TIPS DCAs and TIPS AS technical accounts:

| Message Type                  | Description                  |
|-------------------------------|------------------------------|
| <b>Administration (admi)</b>  |                              |
| pacs.002                      | FIToFIPayment Status Report  |
| pacs.004                      | PaymentReturn                |
| pacs.008                      | FIToFICustomerCreditTransfer |
| pacs.028                      | FIToFIPaymentStatusRequest   |
| <b>Cash Management (camt)</b> |                              |
| camt.003                      | GetAccount                   |
| camt.004                      | ReturnAccount                |
| camt.011                      | ModifyLimit                  |
| camt.019                      | ReturnBusinessDayInformation |
| camt.025                      | Receipt                      |
| camt.029                      | ResolutionOfInvestigation    |
| camt.050                      | LiquidityCreditTransfer      |
| camt.052                      | BankToCustomerAccountReport  |
| camt.053                      | BankToCustomerStatement      |

|                              |  |
|------------------------------|--|
| camt.054                     | BankToCustomerDebitCreditNotification    |
| camt.056                     | FItoFIPaymentCancellationRequest         |
| acmt.010                     | AccountRequestAcknowledgement            |
| acmt.011                     | AccountRequestRejection                  |
| acmt.015                     | AccountExcludedMandateMaintenanceRequest |
| <b>Reference data (reda)</b> |  |
| reda.016                     | PartyStatusAdviceV01                     |
| reda.022                     | PartyModificationRequestV01              |

## 5. Double-entry check

All cash transfer orders shall pass a double-entry check, the aim of which is to reject orders that have been submitted more than once (duplicated cash transfer orders). Details can be found in Part I, Section 3, of the relevant UDFS.

## 6. Validation rules and error codes

Validation of messages is carried out according to High Value Payments Plus (HVPS+) guidelines on message validations specified by the ISO 20022 standard and TARGET-specific validations. The detailed validation rules and error codes are described in the respective parts of the UDFS as follows:

- a) for MCAs, Chapter 14 of the CLM UDFS.
- b) for RTGS DCAs, Chapter 13 of the RTGS UDFS.
- c) for T2S DCAs, Chapter 4.1 of the T2S UDFS.

If an instant payment order or a positive recall answer is rejected for any reason, the TIPS DCA holder shall receive a payment status report (pacs.002), as described in Chapter 4.2 of the TIPS UDFS. If a liquidity transfer order is rejected for any reason, the TIPS DCA holder shall receive a rejection (camt.025), as described in Chapter 1.6 of the TIPS UDFS.

## **7. Predetermined settlement times and events**

### **RTGS DCAs**

- a) For payment orders using the Earliest Debit Time Indicator, the message element 'FromTime/' shall be used.
- b) For payment orders using the Latest Debit Time Indicator, two options shall be available.
  - i. Message element 'RejectTime': if the payment order cannot be settled by the indicated debit time, the order shall be rejected.
  - ii. Message element 'TillTime': if the payment order cannot be settled by the indicated debit time, the order shall not be rejected but shall be kept in the relevant queue.

Under both options, if a payment order with a Latest Debit Time Indicator is not settled 15 minutes prior to the time indicated therein, a notification shall automatically be sent via the GUI.

### **T2S DCAs**

- a) For immediate liquidity transfer orders, no specific XML tag is required.
- b) Predefined liquidity transfer orders and standing liquidity transfer orders may be triggered by a specific time or event on the day of settlement:
  - i. for settlement at a specific time, the XML tag 'Time(/ExctnTp/Tm/)' shall be used.
  - ii. for settlement upon occurrence of a specific event, the XML tag '(EventType/ExctnTp/Evt/)' shall be used.
- c) the validity period for standing liquidity transfer orders shall be set by the following XML tags: 'FromDate/VldtyPrd/FrDt/' and 'ToDate/VldtyPrd/ToDt/'.

## **8. Offsetting of cash transfer orders on RTGS DCAs**

Offsetting checks and, if appropriate, extended offsetting checks (both terms as defined in paragraphs (a) and (b)) shall be carried out on cash transfer orders to facilitate the smooth settlement.

- a) An offsetting check shall determine whether the payee's cash transfer orders that are at the front of the queue for cash transfer orders with the priority 'urgent' or, if inapplicable, 'high' are available to be offset against the payer's cash transfer order (hereinafter: 'offsetting cash transfer orders'). If an offsetting cash transfer order does not provide sufficient funds for the respective payer's cash transfer order it shall be determined whether there is sufficient available liquidity on the payer's RTGS DCA.
- b) If the offsetting check fails, Danmarks Nationalbank may apply an extended offsetting check. An extended offsetting check determines whether offsetting cash transfer orders are available in any of the payee's queues regardless of when they joined the queue. However, if in the queue of the payee there are higher priority cash transfer orders addressed to other participants, the FIFO principle may only be breached if settling such an offsetting cash transfer order would result in a liquidity increase for the payee.

## 9. Optimisation algorithms on RTGS DCAs and sub-accounts

Four algorithms shall be applied to facilitate the smooth settlement of payment flows. Further information is available in the RTGS UDFS Part 2.

- a) Under the '**partial optimisation**' algorithm Danmarks Nationalbank shall:
  - i. calculate and check the liquidity positions, limits, and reservations of each relevant RTGS DCA; and
  - ii. if the total liquidity position of one or more relevant RTGS DCAs is negative, extract single payment orders until the total liquidity position of each relevant RTGS DCA is positive.

Thereafter, Danmarks Nationalbank and the other CBs involved shall, provided there are sufficient funds, settle the relevant remaining cash transfer orders (except the extracted payment orders described in point (ii)) simultaneously on the RTGS DCAs of the participants concerned.

When extracting payment orders, Danmarks Nationalbank shall start from the participant's RTGS DCA with the highest negative total liquidity position and from the payment order at the end of the queue with the lowest priority. The selection process shall only run for a short time, to be determined by Danmarks Nationalbank at its discretion.

- b) Under the '**multiple optimisation**' algorithm Danmarks Nationalbank shall:
  - i. compare pairs of participants' RTGS DCAs to determine whether queued payment orders can be settled within the available liquidity of the two participants' RTGS DCAs concerned and within the limits set by them (by starting from the pair of RTGS DCAs with the smallest difference between the payment orders addressed to each other), and the CBs involved shall book those payments simultaneously on the two participants' RTGS DCAs; and
  - ii. if, in relation to a pair of RTGS DCAs as described in point (i), liquidity is insufficient to fund the bilateral position, extract single payment orders until there is sufficient liquidity. In this case the CBs involved shall settle the remaining payments, except the extracted ones, simultaneously on the two participants' RTGS DCAs.

After performing the checks specified in points (i) to (ii), Danmarks Nationalbank shall check the multilateral settlement positions (between a participant's RTGS DCA and other participants' RTGS DCAs in relation to which a multilateral limit has been set). For this purpose, the procedure described under paragraphs (i) to (ii) shall apply *mutatis mutandis*.

- c) Under the '**partial optimisation with AS**' algorithm which supports settlement procedure B, Danmarks Nationalbank shall follow the same procedure as for the partial optimisation algorithm, but without extracting AS transfer orders (for an AS

which settles on a simultaneous multilateral basis, i.e., RTGS AS settlement procedure B).

- d) The '**optimisation on sub-accounts**' algorithm is used to optimise the settlement of urgent priority AS transfer orders on participants' sub-accounts. When using this algorithm, Danmarks Nationalbank shall calculate the total liquidity position of each participant's sub-account by establishing whether the aggregate of all outgoing and incoming AS transfer orders pending in the queue is negative or positive. If the outcome of these calculations and checks is positive for each relevant sub-account, Danmarks Nationalbank and other CBs involved shall settle all payment orders simultaneously on the sub-accounts of the participants concerned. If the outcome of these calculations and checks is negative, no settlement shall take place. Furthermore, this algorithm does not take account of any limits or reservations. For each settlement bank the total position is calculated and, if the positions for all settlement banks are covered, all transactions shall be settled. Transactions which are not covered are returned to the queue.
- e) Cash transfer orders entered after the multiple optimisation algorithm, the partial optimisation algorithm or the partial optimisation with AS algorithm has started may nevertheless be settled immediately if the positions and limits of the participants' RTGS DCAs concerned are compatible with both the settlement of these orders and the settlement of cash transfer orders in the current optimisation procedure.
- f) The partial optimisation algorithm and the multiple optimisation algorithm shall be run sequentially in that order. They shall not be run if RTGS AS settlement procedure B is running.
- g) The algorithms shall run flexibly by setting a predefined time lag between the application of different algorithms to ensure a minimum interval between the running of the two algorithms. The time sequence shall be automatically controlled. Manual intervention shall be possible.
- h) While included in a running algorithm, a payment order shall not be reordered (change of the position in a queue) or revoked. Requests for reordering or revocation of a payment order shall be queued until the algorithm is complete. If the payment order concerned is settled while the algorithm is running, any request to reorder or revoke shall be rejected. If the payment order is not settled, the participant's request shall be taken into account immediately.

## 10. Connectivity

Participants shall connect to TARGET using one of the following modes.

- a) user to application (U2A) mode: in the U2A mode, participants connect via a GUI which allows users to perform business functions based on their respective access rights. It allows users to enter and maintain business data as well as to retrieve business information. The relevant User Handbook (UHB) provides exhaustive information on each of the business functions that the respective GIU provides.
- b) Application to application (A2A) mode: in the A2A mode, software applications communicate with TARGET by exchanging single messages and files based on their respective access rights and message subscription and routing configuration. The A2A communication relies on XML messages, using the ISO 20022 standard where applicable, for both inbound and outbound communication.

The modes of connection are described in further detail in the ESMIG UDFS.

### **11. The UDFS and the User Handbook**

Further details and examples explaining the above rules are contained in the respective UDFS and the User Handbooks for each service, as amended from time to time and published on the ECB's website in English.



## Appendix 2 – TARGET compensation scheme

### 1. General principles

- a) If there is a technical malfunction of TARGET, participants may submit claims for compensation in accordance with the TARGET compensation scheme described in this Appendix.
- b) Unless otherwise decided by the ECB's Governing Council, the TARGET compensation scheme shall not apply if the technical malfunction of TARGET arises out of external events beyond the reasonable control of the CBs concerned, or as a result of acts or omissions by third parties.
- c) Compensation under the TARGET compensation scheme shall be the only compensation procedure offered in the event of a technical malfunction of TARGET. Participants may, however, use other legal means to claim compensation for losses. If a participant accepts a compensation offer under the TARGET compensation scheme, this shall constitute the participant's irrevocable agreement that it thereby waives all claims (including any claims for consequential loss) it may have against any CB, and that the receipt by it of the corresponding compensation payment constitutes the full and final settlement of such claims. The participant shall indemnify the CBs concerned, up to a maximum of the amount received under the TARGET compensation scheme, in respect of any further claims which are raised by any other participant or any other third party in relation to the cash transfer order or payment concerned.
- d) The making of a compensation offer shall not constitute an admission of liability by Danmarks Nationalbank or any other CB for a technical malfunction of TARGET.

### 2. Conditions for compensation offers

- a) A payer may submit a claim for an administration fee and interest compensation if, due to a technical malfunction of TARGET:
  - i. a cash transfer order was not settled on the business day on which it was accepted or could not be submitted; and
  - ii. the participant has attempted to make use of, if applicable, the contingency processing measures as described in Appendix 4, including requesting support from Danmarks Nationalbank.
- b) A payee may submit a claim for an administration fee if, due to a technical malfunction of TARGET, it did not receive a payment that it was expecting to receive on a particular business day. The payee may also submit a claim for interest compensation if one or more of the following conditions are met:

- i. in the case of participants that have access to the marginal lending facility<sup>4</sup>: due to a technical malfunction of TARGET, a payee had recourse to the marginal lending facility; and/or
- ii. in the case of all participants: it was technically impossible to have recourse to the money market or such refinancing was impossible on other, objectively reasonable grounds.

### 3. Calculation of compensation

#### a) With respect to a compensation offer for a payer:

- i. the administration fee shall be EUR 50 for the first non-settled cash transfer order, EUR 25 for each of the next four such cash transfer orders and EUR 12.50 for each further such cash transfer order. The administration fee shall be calculated separately in relation to each payee.
- ii. interest compensation shall be determined by applying a reference rate to be fixed from day to day. This reference rate shall be the lower of the euro short term reference rate (€STR) minus 20 basis points and the marginal lending facility rate unless the claim relates to a cash transfer order to the deposit facility, in which case the reference shall be the deposit facility rate. The reference rate shall be applied to:
  - (1) the amount of the cash transfer order, except for the cash transfer orders referred to in point (2), not settled as a result of the technical malfunction of TARGET for each day of the malfunction in the period from the date of the actual submission of the cash transfer order or from the date or the attempted submission of the cash transfer order until the date on which the cash transfer order was or could have been successfully settled;
  - (2) in relation to cash transfer orders to the one or more MCAs or DCAs marked for the purpose of fulfilling minimum reserve requirements, referred to in paragraph 2, point (a), the difference between the amount of the cash transfer order not settled on the day of the technical malfunction of TARGET and the amount by which the participant fell short of in covering its minimum reserve requirements as a result, from the date of the malfunction to the end of the reserve maintenance period.

Any interest or charges resulting from the placing of any non-settled cash transfer orders on deposit shall be deducted from, or charged to, the amount of any compensation, as the case may be.

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<sup>4</sup> Not applicable to participants in TARGET-Danmark.

- iii. no interest compensation shall be payable if and in so far as funds resulting from non-settled cash transfer orders were placed in the market or used to fulfil minimum reserve requirements.
- b) With respect to a compensation offer for a payee:
- i. the administration fee shall be EUR 50 for the first non-settled cash transfer order, EUR 25 for each of the next four such cash transfer orders and EUR 12.50 for each further such cash transfer order. The administration fee shall be calculated separately in relation to each payer.
  - ii. the method set out in paragraph (a)(ii)(1) for calculating interest compensation shall apply except that interest compensation shall be payable at a rate equal to the difference between the marginal lending facility rate and the reference rate, and shall be calculated on the amount of any recourse to the marginal lending facility or, in the case of participants in any connected CB's TARGET component system, of the overdraft occurring as a result of the technical malfunction of TARGET.

#### 4. Procedural rules

- a) A claim for compensation shall be submitted on the claim form available on the website of Danmarks Nationalbank in English (see [www.nationalbanken.dk](http://www.nationalbanken.dk)). Payers shall submit a separate claim form in respect of each payee and payees shall submit a separate claim form in respect of each payer. Sufficient additional information and documents shall be provided to support the information indicated in the claim form. Only one claim form shall be submitted in relation to a specific payment or payment order.
- b) Within 4 weeks of a technical malfunction of TARGET, participants shall submit their claim forms to Danmarks Nationalbank. Any additional information and evidence requested by Danmarks Nationalbank shall be supplied within two weeks of such request being made.
- c) Danmarks Nationalbank shall review the claims and forward them to the ECB. Unless otherwise decided by the ECB's Governing Council and communicated to the participants, all received claims shall be assessed no later than 14 weeks after the technical malfunction of TARGET occurs, unless the claim relates to cash transfer order to the one or more MCAs or DCAs belonging to that participant and marked for the purpose of fulfilling minimum reserve requirements as referred to in paragraph 2, point (a), in which case the received claims shall be assessed no later than 14 weeks after the end of the reserve maintenance period during which the technical malfunction of TARGET occurred.
- d) Danmarks Nationalbank shall communicate the result of the assessment referred to in point (c) to the relevant participants. If the assessment entails a compensation offer, the participants concerned shall, within 4 weeks of the communication of such offer, either accept or reject it, in respect of each cash transfer order comprised within each claim, by signing a standard letter of acceptance (in the form available on the website of Danmarks Nationalbank (see [www.nationalbanken.dk](http://www.nationalbanken.dk))). If such letter of acceptance has not been received by

Danmarks Nationalbank within 4 weeks, the participants concerned shall be deemed to have rejected the compensation offer.

- e) Danmarks Nationalbank shall make compensation payments on receipt of a participant's letter of acceptance of compensation. No interest shall be payable on any compensation payment.

# Appendix 3 – Terms and reference for capacity and country opinions

## Terms of reference for capacity opinions for participants in TARGET

Danmarks Nationalbank  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

### **Participation in TARGET-Danmark**

[location], [date]

Dear Sir or Madam,

We have been asked to provide this Opinion as [in-house or external] legal advisers to [specify name of Participant or branch of Participant] in respect of issues arising under the laws of [jurisdiction in which the Participant is established; hereinafter the 'jurisdiction'] in connection with the participation of [specify name of Participant] (hereinafter the 'Participant') in TARGET-Danmark (hereinafter the 'System').

This Opinion is confined to the laws of [jurisdiction] as they exist as on the date of this Opinion. We have made no investigation of the laws of any other jurisdiction as a basis for this Opinion, and do not express or imply any opinion in this regard. Each of the statements and opinions presented below applies with equal accuracy and validity under the laws of [jurisdiction], whether or not the Participant acts through its head office or one or more branches established inside or outside of [jurisdiction] in submitting cash transfer orders and receiving payments.

## 1. Documents examined

For the purposes of this Opinion, we have examined:

- a) a certified copy of the [specify relevant constitutional document(s)] of the Participant such as is/are in effect on the date hereof.
- b) [if applicable] an extract from the [specify the relevant company register] and [if applicable] [register of credit institutions or analogous register].
- c) [to the extent applicable] a copy of the Participant's licence or other proof of authorisation to provide banking, investment, payment, or other financial services in line with the access criteria for participation in TARGET in [jurisdiction].
- d) [if applicable] a copy of a resolution adopted by board of directors (or the relevant governing body) of the Participant on [insert date] [insert year], evidencing the Participant's agreement to adhere to the System Documents, as defined below; and
- e) [specify all powers of attorney and other documents constituting or evidencing the requisite power of the person or persons signing the relevant System Documents (as defined below) on behalf of the Participant] and all other documents relating to the Participant's constitution, powers, and authorisations necessary or appropriate for the provision of this Opinion (hereinafter the 'Participant Documents').

For the purposes of this Opinion, we have also examined:

- a) Harmonised Conditions for participation in TARGET – Settlement of payments in euro at Danmarks Nationalbank, dated [insert date] (hereinafter the 'Rules'); and
- b) [...].

The Rules and the [...] shall be referred to hereinafter as the 'System Documents' (and collectively with the Participant Documents as the 'Documents').

## 2. Assumptions

For the purposes of this Opinion we have assumed in relation to the Documents that:

- a) the System Documents with which we have been provided are originals or true copies.
- b) the terms of the System Documents and the rights and obligations created by them are valid and legally binding under the laws of Denmark by which they are expressed to be governed, and the choice of the laws of Denmark to govern the System Documents is recognised by the laws of Denmark.

- c) the Participant Documents are within the capacity and power of the relevant parties and have been validly authorised, adopted or executed and, where necessary, delivered by the relevant parties; and
- d) the Participant Documents are binding on the parties to which they are addressed, and there has been no breach of any of their terms.

### 3. Opinion regarding the Participant

- a) The Participant is a corporation duly established and registered or otherwise duly incorporated or organised under the laws of [jurisdiction].
- b) The Participant has all the requisite corporate powers to execute and perform the rights and obligations under the System Documents to which it is a party.
- c) The adoption or execution and the performance by the Participant of the rights and obligations under the System Documents to which the Participant is party do not in any way breach any provision of the laws or regulations of [jurisdiction] applicable to the Participant or the Participant Documents.
- d) No additional approvals, consents, filings, registrations, notarisations, or other certifications of any court or other judicial or public authority that is competent in [jurisdiction] are required by the Participant in connection with the Participant's performance of the System Documents or in relation to the validity or enforceability of the System Documents.
- e) The Participant has taken all necessary corporate action and other steps necessary under the laws of [jurisdiction] to ensure that its obligations under the System Documents are legal, valid, and binding.

This Opinion is stated as of its date and is addressed solely to Danmarks Nationalbank and [the Participant]. No other persons may rely on this Opinion, and the contents of this Opinion may not be disclosed to persons other than its intended recipients and their legal counsel without our prior written consent, with the exception of the European Central Bank and the national central banks of the European System of Central Banks [and [the national central bank/relevant regulatory authorities] of [jurisdiction]].

Yours faithfully,

[signature]

# Terms of reference for country opinions for non-EEA participants in TARGET

Danmarks Nationalbank  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

## **Participation in TARGET-Danmark**

[location], [date]

Dear Sir or Madam,

We have been asked as [external] legal advisers to [specify name of Participant or branch of Participant] (the 'Participant') in respect of issues arising under the laws of [jurisdiction in which the Participant is established; hereinafter the 'jurisdiction'] to provide this Opinion under the laws of [jurisdiction] in connection with the participation of [insert name of Participant] in a system which is a component of TARGET (hereinafter the 'System'). References herein to the laws of [jurisdiction] include all applicable regulations of [jurisdiction]. We express an opinion herein under the laws of [jurisdiction], with particular regard to the Participant established outside Denmark in relation to rights and obligations arising from participation in the System, as presented in the System Documents defined below.

This Opinion is confined to the laws of [jurisdiction] as they exist as on the date of this Opinion. We have made no investigation of the laws of any other jurisdiction as a basis for this Opinion, and do not express or imply any opinion in this regard. We have assumed that there is nothing in the laws of another jurisdiction which affects this Opinion.



## 1. Documents examined

For the purposes of this Opinion, we have examined the documents listed below and such other documents as we have deemed necessary or appropriate:

- a) Harmonised Conditions for participation in TARGET – Settlement of payments in euro at Danmarks Nationalbank, dated [insert date] (hereinafter the 'Rules'); and
- b) any other documents governing the System and/or the relationship between the Participant and other participants in the System, and between the participants in the System and Danmarks Nationalbank.

The Rules and [...] shall be referred to hereinafter as the 'System Documents'.

## 2. Assumptions

For the purposes of this Opinion, we have assumed in relation to the System Documents that:

- a) the System Documents are within the capacity and power of the relevant parties and have been validly authorised, adopted, or executed and, where necessary, delivered by the relevant parties.
- b) the terms of the System Documents and the rights and obligations created by them are valid and legally binding under the laws of Denmark by which they are expressed to be governed, and the choice of the laws of Denmark to govern the System Documents is recognised by the laws of Denmark.
- c) the participants in the System through which any cash transfer orders are sent or payments are received, or through which any rights or obligations under the System Documents are executed or performed, are licensed to provide funds transfer services in all relevant jurisdictions; and
- d) the documents submitted to us in copy or as specimens conform to the originals.

## 3. Opinion

Based on and subject to the foregoing, and subject in each case to the points set out below, we are of the opinion that:

### **3.1 Country-specific legal aspects [to the extent applicable]**

The following characteristics of the legislation of [jurisdiction] are consistent with and in no way set aside the obligations of the Participant arising out of the System Documents: [list of country-specific aspects].

### **3.2 General insolvency and crisis management issues**

- a) Types of insolvency and crisis management proceedings:

- i. The only types of insolvency proceedings (including composition or rehabilitation) which, for the purpose of this Opinion, shall include all proceedings in respect of the Participant's assets or any branch it may have in [jurisdiction] to which the Participant may become subject in [jurisdiction], are the following: [list proceedings in original language and English translation] (together collectively referred to as 'Insolvency Proceedings').
- ii. In addition to Insolvency Proceedings, the Participant, any of its assets, or any branch it may have in [jurisdiction] may become subject in [jurisdiction] to [list any applicable moratorium, receivership, or any other proceedings as a result of which payments to and/or from the Participant may be suspended, or limitations can be imposed in relation to such payments, or similar proceedings, including crisis prevention and crisis management measures equivalent to those defined in Directive 2014/59/EU of the European Parliament and of the Council, in original language and English translation ] (hereinafter collectively referred to as 'Proceedings with respect to the Participant').

b) Insolvency treaties:

[jurisdiction] or certain subdivisions within [jurisdiction], as specified, is/are party to the following insolvency treaties: [specify, if applicable, which treaties have or may have an impact on this Opinion].

### **3.3 Enforceability of System Documents**

Subject to the points set out below, all provisions of the System Documents will be binding and enforceable in accordance with their terms under the laws of [jurisdiction], in particular in the event of the opening of any Insolvency Proceedings or Proceedings with respect to the Participant.

In particular, we are of the opinion that:

a) Processing of cash transfer orders:

The provisions on processing of cash transfer orders of the Rules contained in Part I, Articles 17 and 18, Part II, Articles 4 to 7 and 9, Part III, Articles 5 to 10 and 14 to 17, Part IV, Articles 4 and 6 to 7, Part V, Articles 6 and 10 are valid and enforceable. In particular, all cash transfer orders processed pursuant to such sections will be valid, binding and will be enforceable under the laws of [jurisdiction]. The provision contained in Part I, Article 18, of the Rules which specifies the precise point in time at which cash transfer orders submitted by the Participant to the System become enforceable and irrevocable is valid, binding, and enforceable under the laws of [jurisdiction].

b) Authority of Danmarks Nationalbank to perform its functions:

The opening of Insolvency Proceedings or Proceedings in respect of the Participant will not affect the authority and powers of Danmarks Nationalbank arising out of the System Documents. [Specify [to the extent applicable] that: the same opinion is also applicable in respect of any other entity which provides the Participant with services directly and necessarily required for participation in the System (i.e., the TARGET NSP)].

c) Remedies in the event of default:

Where applicable to the Participant, the provisions contained in Part I, Articles 25 and 27, Part II, Article 9, Part III, Articles 14 and 20, Part IV, Article 7, Part V, Article 10, Part VI, Article 10 and Part VII, Article 11 of the Rules regarding accelerated performance of claims which have not yet matured, the set-off against the deposits of the Participant, the enforcement of a pledge, suspension and termination of participation, interest claims, and termination of agreements and transactions [insert other relevant clauses of the Rules or the System Documents] are valid and enforceable under the laws of [jurisdiction].

d) Suspension and termination:

Where applicable to the Participant, the provisions contained in Part I, Article 25, Part II, Article 9, Part III, Article 14, Part IV, Article 7, Part V, Article 10, Part VI, Article 10, and Part VII, Article 11 of the Rules (in respect of suspension and termination of the Participant's participation in the System on the opening of Insolvency Proceedings or Proceedings or other events of default, as defined in the System Documents, or if the Participant represents any kind of systemic risk or has serious operational problems) are valid and enforceable under the laws of [jurisdiction].

e) Penalty regime:

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

f) Assignment of rights and obligations:

The rights and obligations of the Participant cannot be assigned, altered, or otherwise transferred by the Participant to third parties without the prior written consent of Danmarks Nationalbank.

g) Choice of governing law and jurisdiction:

The provisions contained in Article 34 of the Rules, and in particular with respect to the governing law, the resolution of a dispute, competent courts, and service of process are valid and enforceable under the laws of [jurisdiction].

### **3.4 Voidable preferences**

We are of the opinion that no performance of or compliance with obligations arising out of the System Documents prior to the opening of any Insolvency Proceedings or Proceedings in respect of the Participant may be set aside in any such proceedings as a preference, voidable transaction or otherwise under the laws of [jurisdiction]. Without limitation to the foregoing, we express this Opinion in respect of any cash transfer orders submitted by any participant in the System. In particular, we are of the opinion that the provisions contained in Part I, Article 18, of the Rules establishing the enforceability and irrevocability of cash transfer orders will be valid and enforceable and that a cash transfer order submitted by any participant and processed pursuant to Part II, Part III, Part IV, Part V, Part VI and Part VII of the Rules may not be set aside in any Insolvency Proceedings as a preference, voidable transaction or otherwise under the laws of [jurisdiction].

### **3.5 Attachment**

If a creditor of the Participant seeks an attachment order (including any freezing order, order for seizure or any other public or private law procedure that is intended to protect the public interest

or the rights of the Participant's creditors – hereinafter referred to as an 'Attachment' – under the laws of [jurisdiction] from a court or governmental, judicial or public authority that is competent in [jurisdiction], we are of the opinion that [insert analysis and discussion].

### **3.6 Collateral (if applicable)**

- a) Assignment of rights or deposit of assets for collateral purposes and/or pledge:

Assignment for collateral purposes will be valid and enforceable under the laws of [jurisdiction].

- b) Priority of assignees', pledgees', or repo purchasers' interest over that of other claimants:

In the event of Insolvency Proceedings or Proceedings in respect of the Participant, the rights or assets assigned for collateral purposes, or pledged by the Participant in favour of Danmarks Nationalbank or other participants in the System, will rank in priority of payment above the claims of all other creditors of the Participant, including other secured claims, prepreferential claims and preferential claims.

- c) Enforcing title to security:

Even in the event of Insolvency Proceedings or Proceedings in respect of the Participant, other participants in the System and Danmarks Nationalbank as [assignees, pledgees, or repo purchasers as applicable] will still be free to enforce and collect the Participant's rights and assets through the action of Danmarks Nationalbank pursuant to the Rules.

- d) Form and registration requirements:

There are no form requirements for the assignment for collateral purposes of, or the creation and enforcement of a pledge or repo over the Participant's rights or assets and it is not necessary for the assignment for collateral purposes or pledge to be registered or filed with any court or governmental, judicial, or public authority that is competent in [jurisdiction].

### **3.7 Branches [to the extent applicable]**

- a) Opinion applies to action through branches:

Each of the statements and opinions presented regarding the Participant applies with equal accuracy and validity under the laws of [jurisdiction] in situations where the Participant acts through one or more of its branches established outside [jurisdiction].

- b) Conformity with law:

Neither the execution and performance of the rights and obligations under the System Documents nor the submission, transmission, or receipt of cash transfer orders by a branch of the Participant will in any respect breach the laws of [jurisdiction].

- c) Required authorisations:

Neither the execution and performance of the rights and obligations under the System Documents nor the submission, transmission, or receipt of cash transfer orders by a branch of a Participant

will require any additional authorisations, approvals, consents, filings, registrations, notarisations or other certifications of any court or governmental, judicial or public authority that is competent in [jurisdiction].

This Opinion is stated as of its date and is addressed solely to Danmarks Nationalbank and [the Participant]. No other persons may rely on this Opinion, and the contents of this Opinion may not be disclosed to persons other than its intended recipients and their legal counsel without our prior written consent, with the exception of the European Central Bank and the national central banks of the European System of Central Banks [and [the national central bank/relevant regulatory authorities] of [jurisdiction]].

Yours faithfully,

[signature]

# Appendix 4 – Business continuity and contingency procedures

## 1. General provisions

This Appendix sets out the arrangements between Danmarks Nationalbank and participants if TARGET or one or more of the NSPs fail or are affected by an abnormal external event, or if the failure affects any participant.

All references to specific times in this Appendix are to the local time at the seat of the ECB.

Provisions set out in this paragraph 1 shall apply to MCAs, RTGS DCAC and their sub-accounts, RTGS AS technical accounts, T2S DCAs, TIPS DCAs and TIPS AS technical accounts.

### 1.1 Measures of business continuity and contingency planning

- a) If an abnormal external event occurs and/or there is a failure of TARGET and/or there is a failure of one or more NSPs which effects the normal operation of TARGET, Danmarks Nationalbank shall be entitled to adopt business continuity and contingency processing measures.
- b) The following business continuity and contingency processing measures shall be available in TARGET:
  - i. relocating the operation of TARGET to an alternative site.
  - ii. changing the TARGET operating schedule.
- c) In relation to business continuity and contingency processing measures, Danmarks Nationalbank shall have full discretion regarding whether and which measures are adopted.

### 1.2 Incident communication

If an event described under paragraph 1.1(a) occurs, this shall be communicated to participants via the ECB's website, if available, through the GUI(s) and, if applicable, via domestic communication channels. In particular, communications to participants shall include the following information:

- a) a description of the event and its impact on TARGET.
- b) the time at which resolution of the event is expected (if known).
- c) information on the measures already taken.
- d) the advice to participants (if any).
- e) the timestamp of the communication and indication of when an update will be provided.

### 1.3 Change of operating hours

- a) When changing the TARGET operating schedule as provided for in Part I, Article 19(2), of these Conditions, Danmarks Nationalbank may delay the cut-off times of TARGET for a given business day or delay the start of the following business day or change the timing of any other event listed in Appendix 5.

- b) The cut-off times of TARGET for a given business may be delayed if a TARGET failure has occurred during that day but has been resolved before 18:00. Such a closing time delay should not normally exceed two hours and shall be announced as early as possible to participants.
- c) Once a delay of the cut-off times of TARGET is announced, it may be further delayed but may not be withdrawn.

#### **1.4 Other provisions**

- a) In the event of a failure of Danmarks Nationalbank, some or all its technical functions in relation to TARGET-Danmark may be performed by other Eurosystem CBs or by the Level 3 NCBs on its behalf.
- b) Danmarks Nationalbank may require that participants participate in regular or ad hoc testing of business continuity and contingency processing measures, training, or any other preventative arrangements, as deemed necessary by Danmarks Nationalbank. Any costs incurred by the participants because of such testing or other arrangements shall be borne solely by the participants.

## **2. Business continuity and contingency procedures (RTGS DCA and RTGS AS settlement procedures)**

In addition to the provisions set out in section 1, the provisions set out in this section 2 shall apply specifically to RTGS DCA holders and AS that make use of RTGS AS settlement procedures.

### **2.1 Relocation of the operation of TARGET to an alternative site**

- a) The relocation of the operation of TARGET to an alternative site, as referred to in paragraph 1.1(b)(i), may be to a place within the same region or in another region.
- b) If the operation of TARGET is relocated to another region, participants shall: (i) refrain from sending new cash transfer orders to TARGET; (ii) at the request of Danmarks Nationalbank perform a reconciliation; (iii) resubmit any cash transfer orders identified as missing; and (iv) provide Danmarks Nationalbank with all relevant information in this respect.
- c) Danmarks Nationalbank may take any further actions, including debiting and crediting participants' accounts, to return those participants' accounts to their status prior to the reconciliation.

### **2.2 Change of operating hours**

- a) If Danmarks Nationalbank delays the closing of TARGET as provided for in paragraph 1.3 before 16:50, the minimum period of one hour between the cut-off time for customer and interbank payment orders shall remain in place.
- b) AS shall have established means to cope with cases where the reopening time is delayed due to a TARGET failure on the previous day.

## 2.3 Contingency processing

- a) If it deems it necessary to do so, Danmarks Nationalbank shall initiate the contingency processing of cash transfer orders using the Contingency Solution of TARGET or other means. In such cases, contingency processing shall be provided on a best-efforts basis. Danmarks Nationalbank shall inform its participants of the start of contingency processing via any available means of communication.
- b) In contingency processing using the Contingency Solution of TARGET, cash transfer orders shall be submitted by the RTGS DCA holders and authorised by Danmarks Nationalbank. Danmarks Nationalbank may, exceptionally, also manually input cash transfer orders on behalf of participants. In addition, the AS may submit files containing payment instructions under RTGS AS settlement procedure A, which the AS authorises Danmarks Nationalbank to upload into the Contingency Solution.
- c) The following cash transfer orders shall be considered as 'very critical' and Danmarks Nationalbank shall use best efforts to process them in a contingency without undue delay:
  - i. payments related to the settlement of CLS Bank International operations processed on CLS Settlement.
  - ii. central counterparty margin calls.
- d) Cash transfer orders other than those listed in point (c) and which are required to avoid systematic risk shall be considered as 'critical' and Danmarks Nationalbank may decide to initiate contingency processing in relation to them. Critical cash transfer orders shall include but are not limited to:
  - i. cash transfer orders related to the settlement of other systemically important payment systems as defined in Regulation (EU) No 795/2014 (ECB/2014/28)<sup>1</sup>;
  - ii. liquidity transfer orders for T2S DCAs or TIPS DCAs.
  - iii. liquidity transfer orders that are indispensable to the execution of very critical cash transfer orders as set out in point (c) or to other critical cash transfer orders.
- e) Cash transfer orders that have been submitted to TARGET-Danmark before the activation of contingency processing, but are queued, may also undergo contingency processing. In such cases Danmarks Nationalbank shall endeavour to avoid the double processing of cash transfer orders, but participants shall bear the risk of such double processing if it occurred.
- f) For contingency processing using the Contingency Solution of TARGET, participants shall provide eligible assets as collateral. During contingency processing, incoming cash transfer orders may be used to fund outgoing cash transfer orders.

## 2.4 Failures linked to participants

- a) If a participant has an issue or problem that prevents it from sending cash transfer orders to TARGET, it shall resolve the issue or problem using its own means. In particular, a participant

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<sup>1</sup> Regulation of the European Central Bank (EU) No 795/2014 of 3 July 2014 on oversight requirements for systemically important payment systems (ECB/2014/28) (OJ L 217, 23.7.2014, p. 16).



may use any in-house solutions at its disposal, the GUI functionality to process liquidity transfers and payment orders or use the back-up functionality via the GUI.

- b) If the resolution means and/or solutions or functionalities used by the participant as referred to in paragraph (a) are exhausted or if they are insufficient, the participant may request support from Danmarks Nationalbank and Danmarks Nationalbank shall provide such support on a best-efforts basis. Danmarks Nationalbank shall decide what support it offers to the participant.
- c) Further detailed contingency measures with respect to AS shall be described in additional arrangements between Danmarks Nationalbank and the relevant AS.

### 3. Business continuity and contingency procedures (MCA)

In addition to the provisions set out in section 1, the provisions of this section 3 shall apply specifically to MCA holders.

#### **3.1 Relocation of the operation of TARGET to an alternative site**

- a) The relocation of the operation of TARGET to an alternative site, as referred to in paragraph 1.1(b)(i), may be to a place within the same region or in another region.
- b) If the operation of TARGET is relocated to another region, participants shall: (i) refrain from sending new cash transfer orders to TARGET; (ii) at the request of Danmarks Nationalbank perform a reconciliation; (iii) resubmit any cash transfer orders identified as missing; and (iv) provide Danmarks Nationalbank with all relevant information in this respect.
- c) Danmarks Nationalbank may take any further actions, including debiting and crediting participants' accounts, to return those participants' accounts to their status prior to the reconciliation.

#### **3.2 Contingency processing**

- a) If it deems it necessary to do so, Danmarks Nationalbank shall initiate the contingency processing of cash transfer orders using the Contingency Solution of TARGET or other means. In such cases, contingency processing shall be provided on a best-efforts basis. Danmarks Nationalbank shall inform its participants of the start of contingency processing via any available means of communication.
- b) In contingency processing using the Contingency Solution of TARGET, cash transfer orders shall be submitted by the MCA holders and authorised by Danmarks Nationalbank. Danmarks Nationalbank may, exceptionally, also manually input cash transfer orders on behalf of participants.
- c) Cash transfer orders required to avoid systematic risk shall be considered as 'critical' and Danmarks Nationalbank may decide to initiate contingency processing in relation to them.
- d) Cash transfer orders that have been submitted to TARGET-Danmark before the activation of contingency processing, but are queued, may also undergo contingency processing. In such

cases Danmarks Nationalbank shall endeavour to avoid the double processing of cash transfer orders, but participants shall bear the risk of such double processing if it occurred.

- e) For contingency processing using the Contingency Solution of TARGET, participants shall provide eligible assets as collateral. During contingency processing, incoming cash transfer orders may be used to fund outgoing cash transfer orders.

### **3.3 Failures linked to participants**

- a) If a participant has an issue or problem that prevents it from sending cash transfer orders in TARGET, it shall resolve the issue or problem using its own means. In particular, a participant may use any in-house solutions at its disposal or the GUI functionality to process liquidity transfers and payment orders.
- b) If the resolution means and/or solutions or functionalities used by the participant as referred to in paragraph (a) are exhausted or if they are insufficient, the participant may request support from Danmarks Nationalbank and Danmarks Nationalbank shall provide such support on a best-efforts basis. Danmarks Nationalbank shall decide what support it offers to the participant.

## **4. Business continuity and contingency procedures (T2S DCA)**

In addition to the provisions set out in section 1, the provisions set out in this section 4 shall apply specifically to T2S DCA holders.

### **4.1 Relocation of the operation of TARGET to an alternative site**

- a) The relocation of the operation of TARGET to an alternative site, as set out under paragraph 1.1(b)(i), may be to a place within the same region or in another region (where available).
- b) If the operation of TARGET is relocated to another region, participants shall (i) refrain from sending new cash transfer orders to TARGET; (ii) at the request of Danmarks Nationalbank perform a reconciliation; (iii) resubmit any instructions identified as missing; and (iv) provide Danmarks Nationalbank with all relevant information in this respect.
- c) Danmarks Nationalbank shall be allowed to take any further actions, including debiting and crediting participants' accounts, to return those participants' accounts to their status prior to the reconciliation.

### **4.2 Failures linked to participants**

- a) If a T2S DCA holder has an issue or problem that prevents it from settling cash transfer orders in TARGET-Danmark, it shall resolve the issue or problem using its own means.
- b) If the resolution means and/or solutions or functionalities used by the participant are exhausted or if they are insufficient, the participant may request support from Danmarks Nationalbank and Danmarks Nationalbank shall provide such support on a best-efforts basis. Danmarks Nationalbank shall decide what support it offers to the participant.

# Appendix 4.a – Supplementary provisions concerning contingency procedures

## General requirements

Appendix 4 of 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' sets out the arrangements between Danmarks Nationalbank and participants and between Danmarks Nationalbank and ancillary systems if:

- one or more components of TARGET Services or ESMIG fail or are affected by an abnormal external event; or
- a failure originates from or affects a participant or an ancillary system.

These provisions are a supplement to Appendix 4.

In addition to the situations described in Appendix 4, Danmarks Nationalbank may choose to take part in contingency processing to the extent deemed necessary to maintain the overall operational stability and to the extent possible with due consideration for the handling of Danmarks Nationalbank's other operations.

### 1. Failures originating from or affecting a participant

Measures in the event of failures originating from or affecting the participant are set out in Appendix 4, paragraph 7 (a) to (c).

**1.1 In-house solutions** It shall generally be the participant's responsibility to resolve the problem, primarily by using in-house solutions, see Appendix 4, paragraph 7(a) to (b).

**1.2 Support from Danmarks Nationalbank** If the measures referred to above are exhausted or if they are insufficient, the participant may request further support from Danmarks Nationalbank. Danmarks Nationalbank may, to the extent deemed necessary and possible, provide support to the participant; however, such support is limited to include:

- a) transfers in connection with very critical and critical payments, see Appendix 4, paragraph 6(c) and (d);
- b) transfers to/from T2S DCAs.

Danmarks Nationalbank's ability to provide support after 17:00 and on TARGET Services opening days which are Danish holidays is very limited.

Requests for transfers shall be made by submitting these fax forms:

'Request for contingency transfer to CLS, EURO1. (very critical payments)'

'Request for transfer from MCA/RTGS DCA account (critical payments)'

'Request for transfer to/from T2S DCA'.

## 2. Failures originating from or affecting an ancillary system

Measures in the event of failures originating from or affecting an ancillary system are described in the separate settlement agreement between Danmarks Nationalbank and the individual ancillary system.

## 3. Communication and power of attorney

**3.1 Means of communication** The general means of communication for initiating and using contingency procedures are fax or email. The special fax forms shall be submitted to Danmarks Nationalbank, Banking and Markets, on +45 3363 7117 or by email to [kronosgroup@nationalbanken.dk](mailto:kronosgroup@nationalbanken.dk).

Prior to submitting a fax, the participant must brief Danmarks Nationalbank on telephone +45 3363 6939.

Appendix 10 contains the fax forms prepared by Danmarks Nationalbank to be used by participants in the situations described above. Only these forms will be accepted by Danmarks Nationalbank.

Danmarks Nationalbank may at any time change the form of communication to be used in the event of contingency procedures if this is deemed appropriate.

**3.2 Power of attorney** By submitting the form 'Power of attorney for decisions concerning contingency procedures in TARGET Services', participants shall inform Danmarks Nationalbank who has power of attorney to act in connection with contingency procedures. The form must include the names of the designated persons and specimens of their signatures. The form must be signed by authorised signatories. Subsequent changes to the power of attorney must be made by submitting a new form, see above.

The power of attorney and subsequent changes shall not enter into force until Danmarks Nationalbank has received the original form.

When the form is submitted, the designated persons are granted power of attorney to make decisions in all the contingency situations specified in this Appendix.

## Appendix 5 – TARGET operating schedule

1. The value date for transactions settled in TARGET is always the value date on which the system operates.
2. All days except Saturday, Sunday, New Year's Day, Good Friday<sup>6</sup>, Easter Monday<sup>7</sup>, 1 May, Christmas Day and 26 December are TARGET business days and thus may be value dates for the purpose of settlement in TARGET.
3. TIPS DCAs and TIPS AS technical accounts are operated on all days. All other types of accounts are operated on all days except Saturday, Saturday, New Year's Day, Good Friday<sup>8</sup>, Easter Monday<sup>9</sup>, 1 May, Christmas Day and 26 December.
4. A business day is opened during the evening of the previous business day.
5. The reference time for the system is the local time at the seat of the ECB.
6. The different phases of the TARGET business day and the significant operational events relevant to MCAs, RTGS DCAs<sup>10</sup>, T2S DCAs and TIPS DCAs<sup>11</sup> are shown in the following table:

| HH:MM                     | MCAs   | RTGS DCAs <sup>12</sup>                         | T2S DCAs   | TIPS DCAs <sup>13</sup>   |
|---------------------------|--|---|--|---|
| Approx.<br>18:45<br>(D-1) | Start of business day:<br>Change of value date.  | Start of business day:<br>Change of value date. | Start of business day:<br>Change of value date.<br><br>Preparation of night-time settlement. | Processing of instant payment orders.<br><br>Processing of liquidity transfer orders to/from    |
| 19:00<br>(D-1)            | Settlement of CBOs.<br>Reimbursement of marginal lending. <sup>14</sup><br><br>Refunding of overnight deposits.<br><br>Processing of automated and rule- |   | Deadline for acceptance of CMS data feeds.<br><br>Preparation of night-time settlement.      | TIPS AS technical accounts.<br><br>No liquidity transfers between TIPS DCAs and other accounts. |

<sup>6</sup> According to the calendar applicable at the seat of the ECB.

<sup>7</sup> According to the calendar applicable at the seat of the ECB.

<sup>8</sup> According to the calendar applicable at the seat of the ECB.

<sup>9</sup> According to the calendar applicable at the seat of the ECB.

<sup>10</sup> Also applies to RTGS AS technical accounts, sub-accounts and AS guarantee fund accounts.

<sup>11</sup> Also applies to TIPS AS technical accounts.

<sup>12</sup> Also applies to RTGS AS technical accounts, sub-accounts and AS guarantee fund accounts.

<sup>13</sup> Also applies to TIPS AS technical accounts.

<sup>14</sup> Not applicable to participants in TARGET-Danmark.

|                                    |  |  |   |  |
|------------------------------------|--|--|---|--|
|                                    | based liquidity transfer orders.   |  |   |  |
| 19:30 (D-1)                        | Settlement of CBOs.<br><br>Processing of standing liquidity transfer orders.<br><br>Processing of automated, rule-based and immediate liquidity transfer orders.   | Settlement of AS transfer orders.<br><br>Processing of standing liquidity transfer orders.<br><br>Processing of automated, rule-based and immediate liquidity transfer orders.     |   | Processing of instant payment orders.<br><br>Processing of liquidity transfer orders to/from TIPS AS technical accounts and liquidity transfer orders between TIPS DCAs and MCAs/ RTGS DCAs. |
| 20:00 (D-1)                        |  |  | Night-time settlement cycles.   | Processing of instant payment orders.  |
| 02:30 (D)                          |  | Settlement of AS transfer orders.<br><br>Processing of automated, rule-based and immediate liquidity transfer orders.<br><br>Processing of customer and inter-bank payment orders. |   | Processing of liquidity transfer orders to/from TIPS AS technical accounts and liquidity transfer orders between TIPS DCAs and other TARGET accounts.  |
| 02:30 (Calendar day following D-1) | Non-optional maintenance window until 02:30 on business days after closing days, including every business day Monday.<br><br>Optional maintenance window (if needed) from 03:00-05:00 on TARGET business days. | Non-optional maintenance window until 02:30 on business days after closing days including every business day Monday.<br><br>Optional maintenance window (if needed) from           | Non-optional maintenance window until 02:30 on business days after closing days including every business day Monday.<br><br>Optional maintenance window (if needed) from 03:00- | Processing of instant payment orders.<br><br>Processing of liquidity transfer orders to/from TIPS AS technical accounts.<br><br>No liquidity transfer orders between TIPS                    |

|                       |   |  |   |   |
|-----------------------|---|--|---|---|
|                       |   | 03:00-05:00 on TARGET business days.   | 05:00 on TARGET business days <sup>15</sup>   | DCA's and other TARGET accounts   |
| Re-opening time * (D) | Settlement of CBOs.<br><br>Processing of automated, rule-based and immediate liquidity transfer orders. | Settlement of AS transfer orders.<br><br>Processing of automated, rule-based and immediate liquidity transfer orders.<br><br>Processing of customer and inter-bank payment orders. | Night-time settlement cycles.   | Processing of instant payment orders.<br><br>Processing of liquidity transfer orders to/from TIPS AS technical accounts and liquidity transfer orders between TIPS DCA's and other TARGET accounts. |
| 05:00 (D)             |   |  | Day trade/Real-time settlement:<br>Real-time settlement preparation;<br>Partial settlement window <sup>16</sup> . |   |
| 16:00 (D)             |   |  | Cut-off for DvP orders.   |   |
| 16:30 (D)             |   |  | Automatic auto-collateralisation reimbursement followed by the optional cash sweep.                               |   |
| 17:00 (D)             |   | Cut-off for customer payment orders.   |   |   |
| 17:40 (D)             |   |  | Cut-off for bilaterally agreed treasury management operations (BATM) and CBO cut-off.                             |   |
| 17:45 (D)             |   | Cut-off for liquidity transfer orders to T2S-DCA's.  | Cut-off for inbound liquidity transfer orders.  | Processing of instant payment orders.<br><br>Processing of liquidity transfer   |

<sup>15</sup> For T2S DCA's: For the purpose of the maintenance window, 1 May shall be considered a business day.

<sup>16</sup> Partial settlement windows take place at 08:00, 10:00, 12:00, 14:00 and 15:30 (or 30 minutes before the beginning of the DvP cut-off time, whichever comes first).

|           |  |  |   |  |
|-----------|--|--|---|--|
|           |  |  |   | <p>orders to/from TIPS AS technical accounts and liquidity transfer orders between TIPS DCAs and MCAs/ RTGS DCAs.</p> <p>Blocking of liquidity transfer orders from TIPS DCAs to T2S DCAs. No liquidity transfer orders between T2S DCAs and TIPS DCAs are processed during this period.</p>   |
| 18:00 (D) | <p>Cut-off for:</p> <ul style="list-style-type: none"> <li>- liquidity transfer orders</li> <li>- CBOs, except standing facilities<sup>17</sup></li> <li>- credit line modifications.</li> </ul> | <p>Cut-off for:</p> <ul style="list-style-type: none"> <li>- interbank payment orders and</li> <li>- liquidity transfer orders</li> <li>- AS transfer orders.</li> </ul> | <p>FOP cut-off.<br/>End of T2S settlement processing.<br/>Recycling and purging.<br/>End of day reporting and statements.</p> | <p>Processing of instant payment orders.</p> <p>Processing of liquidity transfer orders to/from TIPS AS technical accounts. No liquidity transfer orders between TIPS DCAs and other accounts.</p> <p><b>Shortly after 18:00:</b><br/>Change of business day (after receiving the camt.019 message from MCA/RTGS)<br/>Snapshot of TIPS DCAs balances</p> |

<sup>17</sup> Standing facilities are not applicable to participants in TARGET-Danmark.



|           |  |  |  |  |
|-----------|--|--|--|--|
|           |  |  |  | and end-of-day reporting.  |
| 18:15 (D) | Cut-off for use of standing facilities. <sup>18</sup>                                    |  |  | Processing of instant payment orders and liquidity transfer orders to/from TIPS AS technical accounts.<br>No liquidity transfer orders between TIPS DCAs and other accounts. |
| 18:40 (D) | Cut-off for use of marginal lending <sup>19</sup> (NCBs only).<br>End-of-day processing. |  |  |  |

The operating hours may be changed in the event that business continuity measures are adopted in accordance with Appendix 4. On the last day of the Eurosystem reserve maintenance period, the cut-off times 18:15, 18:40, 18:45, 19:00 and 19:30 for MCAs and RTGS DCAs (as well as RTGS AS technical accounts and sub-accounts and AS guarantee fund accounts) shall occur 15 minutes later.

**List of abbreviations and notes to this table:**

\*Re-opening times: may vary according to the situation. This information is provided by the Operator.

(D-1): previous business day

(D): business day = value day

CMS: Collateral Management System

DvP orders: Delivery versus Payment orders.

<sup>18</sup> Standing facilities are not applicable to participants in TARGET-Danmark.

<sup>19</sup> Not applicable to participants in TARGET-Danmark.

# Appendix 6 – Fee schedule

## 1. General

- a) The following services are not included in the services offered by Danmarks Nationalbank and shall be charged by the relevant service providers in accordance with their terms and conditions:
  - i. services offered by NSPs.
  - ii. non-cash related T2S services.
  
- b) A participant that wishes to change its choice of fee schedule shall communicate this to Danmarks Nationalbank by the twentieth calendar day of the month so that it can be considered for the following month.

## 2. Fees for MCA holders

- a) MCAs and transactions settled on them shall not incur fees.

## 3. Fees for RTGS DCA holders

- a) RTGS DCA holders shall choose one of the following two pricing options:
  - i. a monthly fee, plus a fixed transaction fee per payment order (debit entry);

|                                   |                |
|-----------------------------------|----------------|
| <b>Monthly fee</b>                | <b>EUR 150</b> |
| Transaction fee per payment order | EUR 0.80       |

- ii. a monthly fee, plus a transaction fee based on the volume of payment orders (debit entry) and calculated on a cumulative basis as set out in the following table. For participants in a billing group the monthly volume of payment orders (debit entry) for all participants in that group shall be aggregated.

|   |               |           |  |
|---|---------------|-----------|--|
| <b>Monthly fee</b>                      |               |           | <b>EUR 1 875</b>                               |
| <b>Monthly volume of payment orders</b> |               |           |  |
| <b>Band</b>                             | <b>From</b>   | <b>To</b> | <b>Transaction fee per payment order (EUR)</b> |
| 1.                                      | 1             | 10 000    | 0.60   |
| 2.                                      | 10 001        | 25 000    | 0.50   |
| 3.                                      | 25 001        | 50 000    | 0.40   |
| 4.                                      | 50 001        | 75 000    | 0.20   |
| 5.                                      | 75 001        | 100 000   | 0.125  |
| 6.                                      | 100 001       | 150 000   | 0.08   |
| 7.                                      | Above 150 000 |           | 0.05   |

- b) Liquidity transfer orders from RTGS DCAs to sub-accounts, to MCAs, to overnight deposit accounts or to RTGS DCAs held by the same participant or by participants within the same banking group shall be free of charge.
- c) Liquidity transfer orders from RTGS DCAs to MCAs or RTGS DCAs held by participants not belonging to the same banking group shall incur a charge of EUR 0.80 per transaction (debit entry).
- d) Liquidity transfer orders from RTGS DCAs to T2S DCAs or TIPS DCAs shall be free of charge.
- e) Cash transfer orders from an RTGS DCA to an AS account<sup>1</sup> shall not be charged to the RTGS DCA holder.
- f) The following fees shall apply to RTGS DCA holders:

| <b>Service</b>  | <b>Monthly fee (EUR)</b> |
|---|--------------------------|
| Addressable BIC holder (correspondents <sup>2</sup> ) | 20                       |
| Unpublished BIC                                       | 30                       |
| Multi-addressee access (based on BIC 8)               | 80                       |

<sup>1</sup> Regardless of whether it is an RTGS DCA, an RTGS AS technical account or an AS guarantee fund account.

<sup>2</sup> Addressable BICs are available for different participant types: Addressable BIC – Correspondent; Addressable BIC – Branch of Direct Participant; and Addressable BIC – Branch of Correspondent. Only the Addressable BIC – Correspondent participation type shall incur the fee. The fee shall be charged for each BIC<sup>11</sup>.

#### 4. Fees for AS using RTGS AS settlement procedures

Fees are charged per ancillary system regardless of the number and type of accounts. AS operators operating more than one system will be charged for each system.

- a) AS using RTGS AS settlement procedures or having been granted an exception allowing them to settle on an RTGS DCA shall choose one of the following two pricing options:
- i. a monthly fee, plus a fixed transaction fee per cash transfer order.
  - ii. a monthly fee, plus a transaction fee based on the volume of cash transfer orders and calculated on a cumulative basis as set out in the following table

|                                      |                |
|--------------------------------------|----------------|
| Monthly fee                          | <b>EUR 300</b> |
| Transfer fee per cash transfer order | EUR 1.60       |

| Monthly fee                            |              |        | EUR 3 750                                     |
|--|--------------|--------|---|
| Monthly volume of cash transfer orders |              |        |   |
| Band                                   | From         | To     | Transaction fee per cash transfer order (EUR) |
| 1.                                     | 1            | 5 000  | 1.20  |
| 2.                                     | 5 001        | 12 500 | 1.00  |
| 3.                                     | 12 501       | 25 000 | 0.80  |
| 4.                                     | 25 001       | 50 000 | 0.40  |
| 5.                                     | Above 50 000 |        | 0.25  |

Cash transfer orders between an RTGS DCA and an AS account<sup>3</sup> shall be charged to the respective AS according to the pricing option that the AS has opted for.

- b) In addition to the fees set out above, each AS shall be subject to fixed fees as set out in the following table:

---

<sup>3</sup> Regardless of whether it is an RTGS DCA, an RTGS AS technical account or an AS guarantee fund account.

|  |                         |                          |
|--|-------------------------|--------------------------|
| <b>A. Fixed fee I</b>  |                         |                          |
| <b>Monthly fee per AS</b>  |                         | EUR 2 000                |
| <b>B. Fixed fee II (based on the gross underlying value<sup>4</sup>)</b> |                         |                          |
| <b>Size (EUR million/day)</b>  | <b>Annual fee (EUR)</b> | <b>Monthly fee (EUR)</b> |
| from 0 to 999.99   | 10 000                  | 833                      |
| from 1 000 to 2 499.99   | 20 000                  | 1 667                    |
| from 2 500 to 4 999.99   | 40 000                  | 3 334                    |
| from 5 000 to 9 999.99   | 60 000                  | 5 000                    |
| from 10 000 to 49 999.99   | 80 000                  | 6 666                    |
| from 50 000 to 499 999.99  | 100 000                 | 8 333                    |
| 500 000 and above  | 200 000                 | 16 667                   |

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<sup>4</sup> The 'gross underlying value' is the total amount of gross monetary obligations that are discharged via an AS after settlement has taken place on an RTGS DCA or sub-account. For CCPs, the gross underlying value is the total notional value of future contracts or the mark-to-market value of future contracts, at values to be settled when future contracts expire, and commissions are applied.

## 5. Fees for T2S DCA holders

a) The following fees shall be charged for the operation of T2S DCAs:

| <b>Subject</b>                             | <b>Applied rule</b>  | <b>Fee per item (EUR)</b> |
|--|--|---------------------------|
| Liquidity transfer orders between T2S DCAs | Per transfer for the debited T2S DCA.  | 0.141                     |
| Intra-balance movements                    | Any successfully executed intra-balance movement (i.e., blocking, unblocking, reservation of liquidity, etc.).                               | 0.094                     |
| A2A queries                                | Per business item within each A2A query generated.   | 0.007                     |
| A2A reports                                | Per business item within each generated A2A report, including A2A reports because of U2A queries.  | 0.004                     |
| Messages bundled into a file               | Per message in each file containing bundled messages.  | 0.004                     |
| Transmission                               | Each transmission per T2S party (both inbound and outbound) will be counted and charged for (except for technical acknowledgement messages). | 0.012                     |
| U2A queries                                | Any executed query search function.  | 0.100                     |
| Fee per T2S DCA                            | Any T2S DCA existing at any time during the monthly billing period<br>Currently free of charge. To be reviewed at regular intervals.         | 0.000                     |
| Auto-collateralisation                     | Issue or return of auto-collateralisation.   | 0.000                     |

b) Liquidity transfer orders from a T2S DCA to an RTGS DCA, a TIPS DCA or an MCA shall be free of charge.

## 6. Fees for TIPS DCA holders

1. Fees for the operation of TIPS DCAs shall be charged as follows:

a) For each TIPS DCA, a monthly fixed fee of EUR 800 shall be charged to the holder of the TIPS DCA. This fixed fee shall include one BIC, which shall be a reachable party in TIPS and designated for the use of the TIPS DCA holder;

- b) For each further reachable party, up to a maximum of 50, designated by the TIPS DCA holder, a monthly fixed fee of EUR 20 shall be charged to the designating TIPS DCA holder. No fee shall be charged for any subsequent reachable parties designated;
- c) For each instant payment order or positive recall answer accepted by Danmarks Nationalbank as set out in Part I, Article 17, a fee of EUR 0.001 shall be charged to both the holder of the TIPS DCA to be debited and the holder of the TIPS DCA or TIPS AS technical account to be credited, whether or not the instant payment order or positive recall answer settles;
- d) No fee shall be charged for liquidity transfer orders from TIPS DCAs to MCAs, RTGS DCAs, sub-accounts, overnight deposit accounts, TIPS AS technical accounts or T2S DCAs.

## 7. Fees for AS using TIPS as settlement procedure

- 1. Fees for the use by an AS of the TIPS AS settlement procedure shall be charged as follows:
  - a) For each TIPS AS technical account, a monthly fixed fee of EUR 3,000 shall be charged to the holder of the TIPS AS technical account;
  - b) For each reachable party, up to a maximum of 50, designated by the TIPS AS technical account holder, a monthly fixed fee of EUR 20 shall be charged to the designating TIPS AS technical account holder. No fee shall be charged for the any subsequent reachable parties designated;
  - c) For each instant payment order or positive recall answer accepted by Danmarks Nationalbank as set out in Part I, Article 17, a fee of EUR 0.001 shall be charged to both the holder of the TIPS AS technical account to be debited and to the holder of the TIPS AS technical account or TIPS DCA to be credited, whether or not the instant payment order or positive recall answer settles;
  - d) No fee shall be charged for liquidity transfer orders from TIPS AS technical accounts to TIPS DCAs;
  - e) In addition to the fees set out above, each AS shall be subject to a monthly fee based on the gross underlying volume of instant payments, near instant payments and positive recall answers settled in the AS's own platform and enabled by the pre-funded positions on the TIPS AS technical account. For each month, each AS shall report the gross underlying volume of its settled instant payments, near instant payments and settled positive recall answers rounded down to the nearest ten thousand, at the latest by the third business day of the following month. The reported gross underlying volume shall be applied by Danmarks Nationalbank to calculate the unit fee per settled instant payment, near instant payment or settled positive recall answer for the previous month according to the following table:

| <b>Reported gross underlying volume</b> |             |                       |
|---|-------------|-----------------------|
| <b>From</b>                             | <b>To</b>   | <b>Unit fee (EUR)</b> |
| 0                                       | 10 000 000  | 0,00040 EUR           |
| 10 000 001                              | 25 000 000  | 0,00030 EUR           |
| 25 000 001                              | 100 000 000 | 0,00020 EUR           |
| 100 000 001                             |             | 0,00015 EUR           |



# Appendix 7 – Requirements regarding information security management and business continuity management

## MCA holders, T2S DCA holders and TIPS DCA holders

These requirements regarding information security management shall not apply to MCA holders, T2S DCA holders and TIPS DCA holders.

## RTGS DCA holders and AS

The requirements set out in section 1 of this Appendix 7 (information security management) shall apply to all RTGS DCA holders and AS, except where an RTGS DCA holder or an AS demonstrates that a specific requirement is not applicable to it. In establishing the scope of application of the requirements within its infrastructure, the participant should identify the elements that are part of the Payment Transaction Chain (PTC). Specifically, the PTC starts at a Point of Entry (PoE), i.e., a system involved in the creation of transactions (e.g., workstations, front-office and back-office applications, middleware), and ends at the system responsible for sending the message to the NSP. The requirements set out in section 2 of this Appendix 7 (business continuity management) shall apply to RTGS DCA holders and AS designated by the Eurosystem as being critical for the smooth functioning of the TARGET system based on criteria periodically updated and published on the ECB's website.

### **1. Information security management**

#### Requirement 1.1: Information security policy

The management shall set a clear policy direction in line with business objectives and demonstrate support for and commitment to information security through the issuance, approval and maintenance of an information security policy aiming at managing information security and cyber resilience across the organisation in terms of identification, assessment and treatment of information security and cyber resilience risks. The policy should contain at least the following sections: objectives, scope (including domains such as organisation, human resources, asset management etc.), principles and allocation of responsibilities.

#### Requirement 1.2: Internal organisation

An information security framework shall be established to implement the information security policy within the organisation. The management shall coordinate and review the establishment of the information security framework to ensure the implementation of the information security policy (as per Requirement 1.1) across the organisation, including the allocation of sufficient resources and assignment of security responsibilities for this purpose.

#### Requirement 1.3: External parties

The security of the organisation's information and information processing facilities should not be reduced by the introduction of, and/or dependence on, an external party/parties or products/services provided by them. Any access to the organisation's information processing facilities by external parties shall be controlled. When external parties or products/services of external parties are required to access to the organisation's information processing facilities, a risk assessment shall be carried out to determine the security implications and control requirements. Controls shall be agreed and defined in an agreement with each relevant external party.

#### Requirement 1.4: Asset management

All information assets, business processes and the underlying information systems, such as operating systems, infrastructures, business applications, off-the-shelf products, services, and user-developed applications, in the scope of the Payment Transaction Chain shall be accounted for and have a nominated owner. The responsibility for the maintenance and operation of appropriate controls in the business processes and the related IT components to safeguard the information assets shall be assigned. Note: the owner can delegate the implementation of specific controls as appropriate but remains accountable for the proper protection of the assets.

#### Requirement 1.5: Information asset classification

Information assets shall be classified in terms of their criticality to the smooth delivery of the service by the participant. The classification shall indicate the need, priorities and degree of protection required when handling the information asset in the relevant business processes and shall also take into consideration the underlying IT components. An information asset classification scheme approved by the management shall be used to define an appropriate set of protection controls throughout the information asset lifecycle (including removal and destruction of information assets) and to communicate the need for specific handling measures.

#### Requirement 1.6: Human resources security

Security responsibilities shall be addressed prior to employment in adequate job descriptions and in terms and conditions of employment. All candidates for employment, contractors and third-party users shall be adequately screened, especially for sensitive jobs. Employees, contractors, and third-party users of information processing facilities shall sign an agreement on their security roles and responsibilities. An adequate level of awareness shall be ensured among all employees, contractors and third-party users, and education and training in security procedures and the correct use of information processing facilities shall be provided to them to minimise possible security risks. A formal disciplinary process for handling security breaches shall be established for employees. Responsibilities shall be in place to ensure that an employee's, contractor's, or third-party user's exit from or transfer within the organisation is managed, and that the return of all equipment and the removal of all access rights are completed.

Requirement 1.7: Physical and environmental security

Critical or sensitive information processing facilities shall be housed in secure areas, protected by defined security perimeters, with appropriate security barriers and entry controls. They shall be physically protected from unauthorised access, damage, and interference. Access shall be granted only to individuals who fall within the scope of Requirement 1.6. Procedures and standards shall be established to protect physical media containing information assets when in transit.

Equipment shall be protected from physical and environmental threats. Protection of equipment (including equipment used off-site) and against the removal of property is necessary to reduce the risk of unauthorised access to information and to guard against loss or damage of equipment or information. Special measures may be required to protect against physical threats and to safeguard supporting facilities such as the electrical supply and cabling infrastructure.

Requirement 1.8: Operations management

Responsibilities and procedures shall be established for the management and operation of information processing facilities covering all the underlying systems in the Payment Transaction Chain end-to-end.

As regards operating procedures, including technical administration of IT systems, segregation of duties shall be implemented, where appropriate, to reduce the risk of negligent or deliberate system misuse. Where segregation of duties cannot be implemented due to documented objective reasons, compensatory controls shall be implemented following a formal risk analysis. Controls shall be established to prevent and detect the introduction of malicious code for systems in the Payment Transaction Chain. Controls shall also be established (including user awareness) to prevent, detect and remove malicious code. Mobile code shall be used only from trusted sources (e.g., signed Microsoft COM components and Java Applets). The configuration of the browser (e.g., the use of extensions and plug-ins) shall be strictly controlled.

Data backup and recovery policies shall be implemented by the management; those recovery policies shall include a plan of the restoration process which is tested at regular intervals at least annually.

Systems that are critical for the security of payments shall be monitored and events relevant to information security shall be recorded. Operator logs shall be used to ensure that information system problems are identified. Operator logs shall be regularly reviewed on a sample basis, based on the criticality of the operations. System monitoring shall be used to check the effectiveness of controls which are identified as critical for the security of payments and to verify conformity to an access policy model.

Exchanges of information between organisations shall be based on a formal exchange policy, carried out in line with exchange agreements among the involved parties and shall be compliant with any relevant legislation. Third-party software components employed in the exchange of information with TARGET (e.g. software received from a Service Bureau) must be used under a formal agreement with the third party.

#### Requirement 1.9: Access control

Access to information assets shall be justified based on business requirements (need-to-know<sup>24</sup>) and according to the established framework of corporate policies (including the information security policy). Clear access control rules shall be defined based on the principle of least privilege<sup>25</sup> to reflect closely the needs of the corresponding business and IT processes. Where relevant (e.g., for backup management), logical access control should be consistent with physical access control unless there are adequate compensatory controls in place (e.g., encryption, personal data anonymisation).

Formal and documented procedures shall be in place to control the allocation of access rights to information systems and services that fall within the scope of the Payment Transaction Chain. The procedures shall cover all stages in the lifecycle of user access, from the initial registration of new users to the final deregistration of users that no longer require access.

Special attention shall be given, where appropriate, to the allocation of access rights of such criticality that the abuse of those access rights could lead to a severe adverse impact on the operations of the participant (e.g., access rights allowing system administration, override of system controls, direct access to business data).

Appropriate controls shall be put in place to identify, authenticate, and authorise users at specific points in the organisation's network, e.g., for local and remote access to systems in the Payment Transaction Chain. Personal accounts shall not be shared to ensure accountability.

For passwords, rules shall be established and enforced by specific controls to ensure that passwords cannot be easily guessed, e.g., complexity rules and limited-time validity. A safe password recovery and/or reset protocol shall be established.

A policy shall be developed and implemented on the use of cryptographic controls to protect the confidentiality, authenticity, and integrity of information. A key management policy shall be established to support the use of cryptographic controls.

There shall be a policy for viewing confidential information on screen or in print (e.g., a clear screen, a clear desk policy) to reduce the risk of unauthorised access.

When working remotely, the risks of working in an unprotected environment shall be considered and appropriate technical and organisational controls shall be applied.

#### Requirement 1.10: Information systems acquisition, development, and maintenance

Security requirements shall be identified and agreed prior to the development and/or implementation of information systems.

Adequate controls shall be built into applications, including user-developed applications, to ensure correct processing. These controls shall include the validation of input data, internal processing, and output data. Additional controls may be required for systems that process, or have an impact on, sensitive, valuable, or critical information. Such controls shall be determined based on

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<sup>24</sup> The need-to-know principle refers to the identification of the set of information that an individual needs access to to carry out his/her duties.

<sup>25</sup> The principle of least privilege refers to the tailoring a subject's access profile to an IT system to match the corresponding business role.

security requirements and risk assessment according to the established policies (e.g., information security policy, cryptographic control policy).

The operational requirements of new systems shall be established, documented, and tested prior to their acceptance and use. As regards network security, appropriate controls, including segmentation and secure management, should be implemented based on the criticality of the data flows and the level of risk of the network zones in the organisation. There shall be specific controls to protect sensitive data passing over public networks.

Access to system files and program source code shall be controlled and IT projects and support activities conducted in a secure manner. Care shall be taken to avoid exposure of sensitive data in test environments. Project and support environments shall be strictly controlled. Deployment of changes in production shall be strictly controlled. A risk assessment of major changes to be deployed in production shall be conducted.

Regular security testing activities of systems in production shall also be conducted according to a predefined plan based on the outcome of a risk assessment, and security testing shall include, at least, vulnerability assessments. All of the shortcomings highlighted during the security testing activities shall be assessed and action plans to close any identified gap shall be prepared and followed up in a timely fashion.

#### Requirement 1.11: Information security in third-party supplier relationships

To ensure protection of the participant's internal information systems that are accessible by suppliers, information security requirements for mitigating the risks associated with the supplier's access shall be documented and formally agreed upon with the supplier.

#### Requirement 1.12: Management of information security incidents and improvements

To ensure a consistent and effective approach to the management of information security incidents, including communication on security events and weaknesses, roles, responsibilities, and procedures, at business and technical level, shall be established and tested to ensure quick, effective, and orderly recovery from information security incidents, including scenarios related to a cyber-related cause (e.g., fraud by an external attacker or by an insider). Personnel involved in these procedures shall be adequately trained.

#### Requirement 1.13: Technical compliance review

A participant's internal information systems (e.g., back-office systems, internal networks, and external network connectivity) shall be regularly assessed for compliance with the organisation's established framework of policies (e.g., information security policy, cryptographic control policy).

#### Requirement 1.14: Virtualisation

Guest virtual machines shall comply with all the security controls that are set for physical hardware and systems (e.g., hardening and logging). Controls relating to hypervisors must include hardening of the hypervisor and the hosting operating system, regular patching, strict separation of different environments (e.g., production and development). Centralised management, logging and

monitoring as well as managing of access rights, in particular for high privileged accounts, shall be implemented based on a risk assessment. Guest virtual machines managed by the same hypervisor shall have a similar risk profile.

Requirement 1.15: Cloud computing

The usage of public and/or hybrid cloud solutions in the Payment Transaction Chain must be based on a formal risk assessment, considering the technical controls and contractual clauses related to the cloud solution.

If hybrid cloud solutions are used, it is understood that the criticality level of the overall system is the highest one of the connected systems. All on-premises components of the hybrid solutions must be segregated from the other on-premises systems.

## **2. Business continuity management**

The following requirements relate to business continuity management. Each TARGET participant designated by the Eurosystem as being critical for the smooth functioning of the TARGET system shall have a business continuity strategy in place that complies with the following requirements.

Requirement 2.1:

Business continuity plans shall be developed and procedures for maintaining them shall be in place.

Requirement 2.2:

An alternate operational site shall be available.

Requirement 2.3:

The risk profile of the alternate site shall be different from that of the primary site, to avoid that both sites are affected by the same event at the same time. For example, the alternate site shall be on a different power grid and central telecommunication circuit from those of the primary business location.

Requirement 2.4:

In the event of a major operational disruption rendering the primary site inaccessible and/or critical staff unavailable, the critical participant shall be able to resume normal operations from the alternate site, where it shall be possible to properly close the business day and open the following business day(s).

Requirement 2.5:

Procedures shall be in place to ensure that the processing of transactions is resumed from the alternate site within a reasonable timeframe after the initial disruption of service and commensurate to the criticality of the business that was interrupted.

Requirement 2.6:

The ability to cope with operational disruptions shall be tested at least once a year and critical staff shall be aptly trained. The maximum period between tests shall not exceed one year.

## Appendix 8 – Definitions

- 1) **‘account monitoring group’** means a group of two or more MCAs and/or DCAs in respect of which one participant, the leader party, has a view over the balance on each of the TARGET accounts in the group;
- 2) **‘addressable BIC holder’** means an entity which: (a) holds a Business Identifier Code (BIC); and (b) is a correspondent or customer of an RTGS DCA holder or a branch of an RTGS DCA holder, and is able to submit payment orders to and receive payments from a TARGET component system via that RTGS DCA holder.
- 3) **‘ancillary system’ (AS)** means a system operated by an entity in the Union or the EEA that is subject to supervision and/or oversight by a competent authority and complies with the oversight requirements for the location of infrastructures offering services in euro, as amended from time to time and published on the ECB’s website, in which payments and/or financial instruments are exchanged and/or cleared or recorded with (a) the monetary obligations resulting in cash transfer orders which are settled in TARGET and/or (b) funds held in TARGET in accordance with Guideline ECB/2022/8;
- 4) **‘ancillary system guarantee fund account’ (AS guarantee fund account)** means a technical account used for the purpose of holding guarantee funds to support RTGS AS settlement procedures A and B;
- 5) **‘ancillary system settlement procedure’ (AS settlement procedure)** means any TIPS AS settlement procedure or RTGS AS settlement procedure;
- 6) **‘ancillary system transfer order’ (AS transfer order)** means any cash transfer order that is initiated by an ancillary system for the purpose of an RTGS ancillary system settlement procedure;
- 7) **‘auto-collateralisation’** NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;
- 8) **‘automated liquidity transfer order’** means a liquidity transfer order generated automatically to transfer funds from a designated RTGS DCA to the participant’s MCA in the event there are insufficient funds on that MCA for the settlement of central bank operations;
- 9) **‘available liquidity’** means a credit balance on a participant’s account and, if applicable, any intraday credit line granted on the MCA by the relevant euro area NCB in relation to such account but not yet drawn upon or, if applicable, decreased by the amount of any processed reservations of liquidity or blocking of funds on MCAs or DCAs;
- 10) **‘banking group’** means:
  - a) a composition of credit institutions included in the consolidated financial statements of a parent company, where the parent company is obliged to present consolidated financial statements under International Accounting Standard 27 (IAS 27), adopted pursuant to Commission Regulation (EC) No 1126/2008 and consisting of either: (i) a parent



company and one or more subsidiaries; or (ii) two or more subsidiaries of a parent company; or

- b) a composition of credit institutions as referred to in paragraph (a)(i) or (ii), where a parent company does not present consolidated financial statements in accordance with IAS 27, but may be able to satisfy the criteria defined in IAS 27 for inclusion in consolidated financial statements, subject to verification of the CB of the participant.
- c) a bilateral or multilateral network of credit institutions that is: (i) organised through a statutory framework determining the affiliation of credit institutions to such a network; or (ii) characterised by self-organised mechanisms of cooperation (promoting, supporting and representing the business interests of its members) and/or economic solidarity going beyond the ordinary cooperation usual between credit institutions whereby such cooperation and solidarity are permitted by credit institutions' by-laws or articles of incorporation or established by virtue of separate agreements and in each case referred to in points (c)(i) and (c)(ii) the ECB's Governing Council has approved an application to be considered as constituting a banking group;

- 11) **'branch'** means a branch within the meaning of point (17) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council or point (30) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council, except as referred to in Article 9(8) of the European Central Bank's guideline EU/2022/912 as amended by guideline EU/2024/2616.
- 12) **'broadcast message'** means information made simultaneously available to all or a selected group of participants;
- 13) **'business day'** or **'TARGET business day'** means any day on which MCAs, RTGS DCAs or T2S DCAs are available for settlement of cash transfer orders;
- 14) **'Business Identifier Code'** (BIC) means a code defined by ISO Standard No 9362.
- 15) **'capacity opinion'** means a participant-specific opinion that contains an assessment of a participant's legal capacity to enter into and carry out its obligations;
- 16) **'cash transfer order'** means any instruction by a participant or a party acting on its behalf to place at the disposal of a recipient an amount of money from one account by means of a book entry onto another account and which is an ancillary system transfer order, a liquidity transfer order, an instant payment order, a positive recall answer or a payment order;
- 17) **'central bank'** (CB) means a Eurosystem CB and/or a connected NCB;
- 18) **'central bank operation'** means any payment order or liquidity transfer order initiated by a CB on an MCA opened in any TARGET component system;
- 19) **'connected NCB'** means an NCB, other than a euro area NCB, which is connected to TARGET pursuant to a specific agreement;

- 20) **‘Contingency Solution’** means the functionality that allows CBs and participants to process cash transfer orders in the event that the normal operation of MCAs and/or RTGS DCAs and/or RTGS AS technical accounts is not possible.
- 21) **‘credit institution’** means either: (a) a credit institution within the meaning of point (1) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council and section 5(1)(2) of the Danish Financial Business Act (*Lov om finansiel virksomhed*) (Consolidated Act no. 406 of 29 March 2022) that is subject to supervision by a competent authority; or (b) another credit institution within the meaning of Article 123(2) of the Treaty that is subject to scrutiny of a standard comparable to supervision by a competent authority;
- 22) **‘credit memorandum balance’** (CMB) means a limit set by the TIPS DCA holder for the use of liquidity on the TIPS DCA by a reachable party;
- 23) **‘cross-system settlement’** means the settlement of AS transfer orders debiting the RTGS AS technical account or a sub-account of a settlement bank of one AS using AS settlement procedure C or D and crediting the RTGS AS technical account or a sub-account of a settlement bank of another AS using AS settlement procedure C or D;
- 24) **‘dedicated cash account’** (DCA) means an RTGS DCA, a T2S DCA or a TIPS DCA;
- 25) **‘deposit facility rate’** means ‘deposit facility rate’ as defined in point (22) of Article 2 of Guideline (EU) 2015/510 (ECB/2014/60);
- 26) **‘deposit facility’** means ‘deposit facility’ as defined in point (21) of Article 2 of Guideline (EU) 2015/510 (ECB/2014/60) NOT APPLICABLE TO PARTICIPANTS IN TARGET-Danmark;
- 27) **‘euro area NCB’** means the national central bank (NCB) of a Member State whose currency is the euro;
- 28) **‘European Payments Council’s SEPA Instant Credit Transfer (SCT Inst) scheme’** or **‘SCT Inst scheme’** means an automated, open standards scheme providing a set of interbank rules to be complied with by SCT Inst scheme participants, allowing payment services providers in the Single Euro Payments Area (SEPA) to offer an automated SEPA-wide euro instant credit transfer product.
- 29) **‘Eurosystem CB’** means the ECB or a euro area national central bank.
- 30) **‘event of default’** means any impending or existing event, the occurrence of which may threaten the performance by a participant of its obligations under these Conditions or any other rules applying to the relationship between that participant and the participant’s CB or any other CB; including:
- a) where the participant no longer meets the access criteria laid down in Part I, Article 4, or the requirements laid down in Part I, Article 5(1)(a).
  - b) the opening of insolvency proceedings in relation to the participant.
  - c) the submission of an application relating to the proceedings referred to in point (b);

- d) the issue by the participant of a written declaration of its inability to pay all or any part of its debts and to meet its obligations arising in relation to intraday credit.
  - e) the entry of the participant into a voluntary general agreement with its creditors.
  - f) where the participant is, or is deemed by its CB to be, insolvent or unable to pay its debts.
  - g) where the participant's credit balance on any of its TARGET accounts, or all or a substantial part of the participant's assets are subject to a freezing order, attachment, seizure or any other procedure that is intended to protect the public interest or the rights of the participant's creditors.
  - h) where participation of the participant in another TARGET component system and/or in an AS has been suspended or terminated.
  - i) where any material representation or pre-contractual statement made by the participant, or which is implied to have been made by the participant under applicable law is incorrect or untrue;
  - j) the assignment of all or a substantial part of the participant's assets.
- 31) **'guarantee funds'** means funds provided by participants of an AS to be used in the event of the failure, for whatever reason, of one or more participants to meet their payment obligations in the AS;
- 32) **'insolvency proceedings'** means insolvency proceedings within the meaning of Article 2(j) of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems;
- 33) **'instant payment order'** means, in line with the European Payments Council's SEPA Instant Credit Transfer (SCT Inst) scheme, a cash transfer order which can be executed 24 hours a day any calendar day of the year, with immediate or close to immediate settlement and notification to the payer, and which includes: (i) TIPS DCA to TIPS DCA instant payment orders; (ii) TIPS DCA to TIPS AS technical account instant payment orders; (iii) TIPS AS technical account to TIPS DCA instant payment orders; and (iv) TIPS AS technical account to TIPS AS technical account instant payment orders;
- 34) **'instructing party'** means an entity which has been designated as such by a TIPS DCA holder or the holder of a TIPS AS technical account, and which is allowed to send instant payment orders or liquidity transfer orders and/or receive instant payment orders or liquidity transfer orders on behalf of that account holder or a reachable party of that account holder;
- 35) **'intraday credit'** means credit extended for a period of less than one business day NOT APPLICABLE TO PARTICIPANTS in TARGET-DANMARK;
- 36) **'investment firm'** means an investment firm within the meaning of section 10(1)(5) and section 13(2) of the Danish Act on Investment Firms and Investment Services and Activities (*Lov om fondsmæglerselskaber og investeringsservice og -aktiviteter*) (Act no. 1155 of 8 June 2021), excluding the institutions specified in sections 2 to 18 of Executive Order no. 2021 of 8 November

2021, issued pursuant to section 13(5) of Act on Investment Firms and Investment Services and Activities, provided that the investment firm in question is:

- a) authorised and supervised by a recognised competent authority, which has been designated as such under Directive 2014/65/EC.
- b) authorised to carry out the activities referred to under Annex I to Act on Investment Firms and Investment Services and Activities (Act no. 1155 of 8 June 2021), items 2, 3, 6 and 7 of section A.

- 37) **'Level 3 NCBs'** means Deutsche Bundesbank, Banque de France, Banca d'Italia and Banco de España in their capacity as the CBs developing and operating TARGET for the Eurosystem;
- 38) **'liquidity transfer order'** means a cash transfer order to transfer a specified amount of funds for the purpose of liquidity management;
- 39) **'marginal lending facility rate'** means 'marginal lending facility rate' as defined in point (57) of Article 2 of Guideline (EU) 2015/510 (ECB/2014/60) NOT APPLICABLE TO PARTICIPANTS IN TARGET-Danmark;
- 40) **'marginal lending facility'** means 'marginal lending facility' as defined in point (56) of Article 2 of Guideline (EU) 2015/510 (ECB/2014/60) NOT APPLICABLE to PARTICIPANTS IN TARGET-Danmark;
- 41) **'mobile proxy look-up (MPL) service'** means a service which enables TIPS DCA holders, AS using TIPS AS technical accounts and reachable parties who receive from their customers a request to execute an instant payment order in favour of a beneficiary identified with a proxy (e.g. a mobile number) to retrieve from the central MLP repository the corresponding beneficiary IBAN and BIC to be used to credit the relevant TARGET Instant Payment Settlement (TIPS) account;
- 42) **'near instant payment'** means a transfer of cash order which complies with the European Payments Council's SEPA Credit Transfer Additional Optional Services (SCT AOS) NL standard for instant processing of SEPA credit transfers or with the European Payment Council's SEPA One-Leg Out Instant Credit Transfer (OCT Inst) Scheme;
- 43) **'network service provider' (NSP)** means an undertaking that has been awarded a concession with the Eurosystem to provide connectivity services via the Eurosystem Single Market Infrastructure Gateway to the TARGET services;
- 44) **'non-settled cash transfer order'** means a cash transfer order that is not settled on the business day on which it is accepted.
- 45) **'participant'** means: (a) an entity that holds at least one MCA and may additionally hold one or more DCAs in TARGET; or (b) an AS.
- 46) **'payee'** means, except when used in Part I, Article 29, a participant whose MCA or DCA will be credited because of a cash transfer order being settled.
- 47) **'payer'** means, except when used in Part I, Article 29, a participant whose MCA or DCA will be debited because of a cash transfer order being settled.

- 48) **'payment order'** means any instruction by a participant or a party acting on its behalf to place at the disposal of a recipient an amount of money from one account by means of a book entry onto another account and which is not an AS transfer order, a liquidity transfer order, an instant payment order or a positive recall answer;
- 49) **'positive recall answer'** means, in line with the European Payments Council's SEPA Instant Credit Transfer (SCT Inst) scheme, a cash transfer order initiated by the receiver of a recall request, in response to a recall request, for the benefit of the sender of that recall request;
- 50) **'public sector body'** means an entity within the 'public sector', the latter term as defined in Article 3 of Council Regulation (EC) No 3603/93;
- 51) **'reachable party'** means an entity which: (a) holds a Business Identifier Code (BIC); (b) is designated as such by a TIPS DCA holder or by an ancillary system holding a TIPS AS technical account; (c) is a correspondent, customer or branch of a TIPS DCA holder or a participant of an ancillary system; or is a correspondent, customer or branch of a participant of an ancillary system holding a TIPS AS technical account; and (d) is addressable through TIPS and is able to submit cash transfer orders and receive cash transfer orders either via the TIPS DCA holder or an ancillary system holding a TIPS AS technical account, or directly if so authorised by the TIPS DCA holder or by an ancillary system holding a TIPS AS technical account;
- 52) **'Real-time gross settlement ancillary system settlement procedure'** (RTGS AS settlement procedure) means one of the range of special, predefined services for the submission and settlement of AS transfer orders related to the settlement of AS on RTGS DCAs, sub-accounts and RTGS AS technical accounts;
- 53) **'Real-time gross settlement ancillary system technical account'** (RTGS AS technical account) means an account held by an AS or by the CB in its TARGET component system on behalf of the AS and used in the context of an RTGS AS settlement procedure.
- 54) **'recall request'** means a message from an RTGS DCA holder, a TIPS DCA holder or a TIPS AS technical account holder requesting reimbursement of a settled payment order or instant payment order, respectively;
- 55) **'rule-based liquidity transfer order'** means a liquidity transfer order that is triggered as a result of: (a) the balance on an MCA or RTGS DCA breaching a predefined floor or ceiling; or (b) insufficient funds being available to cover queued urgent payment orders, AS transfer orders or high priority payment orders on an RTGS DCA;
- 56) **'settlement bank account group'** means a list of RTGS DCAs and/or sub-accounts set in the context of the settlement of an ancillary system using RTGS AS settlement procedures;
- 57) **'settlement bank'** means an RTGS DCA holder whose RTGS DCA or sub-account is used to settle AS transfer orders submitted by an AS using RTGS AS settlement procedures;

- 58) **'suspension'** means the temporary freezing of the rights and obligations of a participant for a period to be determined by the participant's CB.
- 59) **'TARGET account'** means any account opened in a TARGET component system.
- 60) **'TARGET component system'** means any of the CBs' systems that form part of TARGET.
- 61) **'TARGET coordinator'** means a person appointed by the ECB to ensure the daily operational management of TARGET, to manage and coordinate activity in the event of an abnormal situation occurring and to coordinate the dissemination of information to participants.
- 62) **'TARGET Instant Payment Settlement (TIPS) ancillary system settlement procedure'** (TIPS AS settlement procedure) means the predefined service for the submission and settlement of liquidity transfer orders and instant payment orders related to settlement of AS on TIPS DCAs and TIPS AS technical accounts.
- 63) **'TARGET Instant Payment Settlement (TIPS) ancillary system technical account'** (TIPS AS technical account) means an account held by an AS or by the CB in its TARGET component system on behalf of the AS for use by the AS for the purpose of settling instant payments or near instant payments in its own books.
- 64) **'TARGET settlement manager'** means a person appointed by a Eurosystem CB to monitor the operation of its TARGET component system.
- 65) **'TARGET2-Securities'** (T2S) means the set of hardware, software and other technical infrastructure components through which the Eurosystem provides the services to CSDs and Eurosystem CBs that allow core, neutral and borderless settlement of securities transactions on a delivery-versus-payments basis in central bank money.
- 66) **'technical malfunction of TARGET'** means any defect or failure in the technical infrastructure and/or computer systems used by the relevant TARGET component system, or any other event that makes it impossible to execute and complete the processing of cash transfer orders according to the relevant parts of this Guideline in the relevant TARGET component system.

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

## Request for MCA(s) (Main Cash Account(s)) and RTGS DCA(s) (Real-Time Gross Settlement Dedicated Cash Account(s)) in euro at Danmarks Nationalbank

The undersigned hereby requests participation in TARGET-Danmark as a direct participant and the establishment of one or more (as indicated in the 'TARGET Registration form') MCA(s) and RTGS DCA(s) in euro at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' including appendices. The terms and conditions in force from time to time may be found at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

It is a precondition for participation in TARGET-Danmark as a direct participant and for the establishment of an MCA and an RTGS DCA that the participant holds a current account in Danish kroner at Danmarks Nationalbank.

Name: \_\_\_\_\_

BIC11: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

LEI code: \_\_\_\_\_

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The undersigned encloses\*

- (i) Documentation of authority to bind the company in the form of an extract from the Danish Business Authority or other documentation which to the satisfaction of Danmarks Nationalbank establishes the legal validity etc. of the authority and power of attorney.
- (ii) Copy of authorisation from the Danish Financial Supervisory Authority to operate as a credit institution.
- (iii) Specimens of the signatures of the authorised signatories and verification thereof by an external attorney.
- (iv) Completed and signed static data collection forms as provided by Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

\*Danmarks Nationalbank may request further information and documentation, see 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank', Part I, Article 5(1) to (4).



Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

## Request for T2S DCA(s) (TARGET2-Securities Dedicated Cash Account(s)) in euro at Danmarks Nationalbank

The undersigned hereby requests the establishment of one or more (as indicated in the 'TARGET Registration form') T2S DCA(s) in euro at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' including appendices. The terms and conditions in force from time to time may be found at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

Name: \_\_\_\_\_

BIC11: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

LEI code: \_\_\_\_\_

The undersigned encloses\*

- (i) Documentation of authority to bind the company in the form of an extract from the Danish Business Authority or other documentation which to the satisfaction of Danmarks Nationalbank establishes the legal validity etc. of the authority and power of attorney.

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- (ii) Copy of authorisation from the Danish Financial Supervisory Authority to operate as a credit institution.
- (iii) Specimens of the signatures of the authorised signatories and verification thereof by an external attorney.
- (iv) Completed and signed static data collection forms as provided by Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

\* Danmarks Nationalbank may request further information and documentation, see 'Harmonised Conditions for participation in TARGET-Danmark - Settlement of payments in euro at Danmarks Nationalbank', Part I, Article 5(1) to (4).

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

## Request for TIPS DCA(s) (TIPS Dedicated Cash Account(s)) in euro at Danmarks Nationalbank

The undersigned hereby requests the establishment of one or more (as indicated in the 'TARGET Registration form') TIPS DCA(s) in euro at Danmarks Nationalbank.

The undersigned is familiar with and by signing this request accepts 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' including appendices. The terms and conditions in force from time to time may be found at Danmarks Nationalbank's website ([www.nationalbanken.dk](http://www.nationalbanken.dk)).

Name: \_\_\_\_\_

BIC11: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code and town: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Danish CVR number: \_\_\_\_\_

LEI code: \_\_\_\_\_

The undersigned encloses\*

- (i) Documentation of authority to bind the company in the form of an extract from the Danish Business Authority or other documentation which to the satisfaction of Danmarks Nationalbank establishes the legal validity etc. of the authority and power of attorney.

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- (ii) Copy of authorisation from the Danish Financial Supervisory Authority to operate as a credit institution.
- (iii) Specimens of the signatures of the authorised signatories and verification thereof by an external attorney.
- (iv) Completed and signed static data collection forms as provided by Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signatures of authorised signatories

\*Danmarks Nationalbank may request further information and documentation, see 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank', Part I, Article 5(1) to (4).

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Banking and Markets  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

## Power of attorney for decisions concerning contingency procedures in TARGET-Danmark

Account holder: \_\_\_\_\_

Account holder BIC11: \_\_\_\_\_

MCA: \_\_\_\_\_

RTGS DCA: \_\_\_\_\_

T2S DCA: \_\_\_\_\_

TIPS DCA: \_\_\_\_\_

The following shall be granted power of attorney, after having duly submitted a request in accordance with the terms and conditions laid down by Danmarks Nationalbank, to carry out any transaction to the aforementioned accounts on behalf of the above account holder under the provisions on contingency procedures, see Appendix 4 of 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' and Danmarks Nationalbank's supplementary provisions thereto. In addition, the following shall be granted power of attorney to activate the contingency facility and perform the contingency procedures stated in Appendix 4 of 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' and Danmarks Nationalbank's supplementary provisions concerning contingency procedures.

Any two of the persons listed under item I may sign jointly, or any of the persons listed under item I may sign jointly with one of the persons listed under item II.

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**II**

Names of holders of power of attorney:

Specimen signatures:

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**II**

Names of holders of power of attorney:

Specimen signatures:

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This power of attorney will cancel any previous powers of attorney granted concerning the above transactions and will apply until receipt of its written revocation has been confirmed by Danmarks Nationalbank.

Date: \_\_\_\_\_

\_\_\_\_\_

Signatures of authorised signatories



Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

Fax +45 3363 7117

## Request for activation of T2 contingency procedure

Account holder, name: \_\_\_\_\_

Account holder, BIC11: \_\_\_\_\_

Employee: \_\_\_\_\_

Direct tel.: \_\_\_\_\_

In accordance with Appendix 4 of 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' and Danmarks Nationalbank's supplementary provisions thereto, Danmarks Nationalbank is requested to activate the contingency facility.

If the account holder requires further support from Danmarks Nationalbank, the fax forms listed in 'Supplementary provisions concerning contingency procedures' shall be used.

Backup payment from (check as appropriate):

|  |  |
|--|--|
| Activation of pacs.008 backup payment: |  |
| Activation of pacs.009 backup payment: |  |

Date: \_\_\_\_\_

\_\_\_\_\_

Binding signatures

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

Fax +45 3363 7117

## Request for contingency transfer to CLS, EURO1 etc. (very critical payments)

In accordance with Appendix 4 of 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' and Danmarks Nationalbank's supplementary provisions thereto, Danmarks Nationalbank is requested to transfer the following amount(s):

Account holder name: \_\_\_\_\_

Account holder, BIC11: \_\_\_\_\_

MCA account number: \_\_\_\_\_

RTGS DCA account number: \_\_\_\_\_

Employee name:

Direct tel.: \_\_\_\_\_

### Transfer to **CLS**:

|   |  |
|---|--|
| Reference<br>(Instruction ID):                |  |
| Reference<br>(End-to-End ID):                 |  |
| Receiving BIC 11 (Instructed Agent BICFI):    |  |
| Date of transfer (Interbank Settlement Date): |  |
| Amount in euro (Interbank Settlement Amount): |  |

### Transfer to **EURO1**:

|   |  |
|---|--|
| Reference<br>(Instruction ID):                |  |
| Reference<br>(End-to-End ID):                 |  |
| Account with credit institution:              |  |
| Receiving BIC 11 (Instructed Agent BICFI):    |  |
| Amount in euro (Interbank Settlement Amount): |  |

Continued on next page

Transfer in connection with central counterparty margin calls:

|   |  |
|---|--|
| Receiving BIC 11 (Instructed Agent BICFI):    |  |
| Amount in euro (Interbank Settlement Amount): |  |

The account holder shall provide any supplementary information to the receiving ancillary system concerning the above payment(s).

Date: \_\_\_\_\_

\_\_\_\_\_

Binding signatures

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

Fax +45 3363 7117

## Request for transfer from MCA/RTGS DCA (critical payments)

In accordance with Appendix 4 of 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' and Danmarks Nationalbank's supplementary provisions thereto, Danmarks Nationalbank is requested to transfer the following amount(s):

Account holder name: \_\_\_\_\_

Account holder, BIC11: \_\_\_\_\_

MCA account number: \_\_\_\_\_

RTGS DCA account number: \_\_\_\_\_

Employee name:

Direct tel.: \_\_\_\_\_

### Payment details

|   |  |
|---|--|
| Sending BIC 11 (Instructing Agent BICFI):     |  |
| Debtor ID (BIC11):                            |  |
| Receiving BIC 11 (Instructed Agent BICFI):    |  |
| Creditor ID (BIC11):                          |  |
| <u>Reference</u><br>(Instruction ID):         |  |
| Date of transfer (Interbank Settlement Date): |  |
| Amount in euro (Interbank Settlement Amount): |  |

The account holder shall provide any supplementary information to the receiving account holder concerning the above payment.

Date: \_\_\_\_\_

\_\_\_\_\_

Binding signatures

Danmarks Nationalbank  
Banking and Markets  
Langelinie Allé 47  
DK-2100 Copenhagen Ø

Fax +45 3363 7117

## Request for transfer to/from T2S DCA

In accordance with Appendix 4 of 'Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank' and Danmarks Nationalbank's supplementary provisions thereto, Danmarks Nationalbank is requested to transfer the following amount(s):

Account holder name: \_\_\_\_\_

Account holder, BIC11: \_\_\_\_\_

Employee name:

Direct tel.: \_\_\_\_\_

### Transfer to/from **T2S DCA**:

|                      |  |
|----------------------|--|
| From account number: |  |
| To account number:   |  |
| Amount in euro:      |  |

The account holder shall provide any supplementary information to the receiving ancillary system concerning the above payment(s).

The account holder shall be responsible for keeping updated on procedural changes in the individual ancillary systems – including changes in settlement times and extra runs.

Date: \_\_\_\_\_

Binding signatures