KDPW | KDPW CCP

MODIFICATIONS TO IT SYSTEMS

of KDPW and KDPW_CCP
in 2024

Meeting with Participants

9 November 2023

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2.

Implementation windows 2024

Implementation windows 2024

KDPW | KDPW CCP

27-28 April
Spring implementation window_TR

- Adaptation of the EMIR Trade Repository system to changes resulting from EMIR REFIT and reporting to KDPW TR by KDPW_CCP

29 May
Spring implementation window_CSD

- Changes related to the area of disclosure of investment certificate holders

Implementation windows 2024

2 September
Summer implementation window_CSD

- Implementation of changes to the settlement discipline process for the collection and redistribution of cash penalties (including redistribution of costs charged to KDPW_CCP)

16-17 November
Autumn implementation window_CSD

- Implementation of new solutions for GM services

Modifications to KDPW and KDPW_CCP IT systems planned for 2024

Adaptation of the EMIR Trade Repository system to changes resulting from EMIR REFIT and reporting to KDPW TR by KDPW_CCP

Ewa Kosowska, Żaneta Skorupska-Świrska

In the adaptation of the EMIR Trade Repository system to changes resulting from EMIR REFIT, a project is underway to fundamentally rebuild and modernise the Trade Repository system (high-performance IT infrastructure based on new technologies has been prepared, functional changes required by the REFIT will be introduced, including mandatory reporting using xml messages compliant with the ISO20022 standard, expansion of the scope of data). The tools used by KDPW_CCP must also be changed.

Dates

Communication of the scope of the changes related to the implementation of EMIR REFIT	05.2023
Provision of functional documentation on changes to the EMIR Trade Repository system, including the process for examining consents to report on behalf of a counterparty	11.2023
Distribution of the revised procedure covering the reporting of transactions, valuations and collateral to KDPW TR by KDPW_CCP	11.2023
Opening of test environment and start of testing with EMIR TR participants	from 11.12.2023
Implementation of changes adapting the EMIR Trade Repository system and KDPW_CCP to changes resulting from EMIR REFIT	27-28.04.2024

Spring implementation window CSD

Changes related to the area of disclosure of investment certificate holders

Leszek Kołakowski

In accordance with the requirements of Article 123a of the Act of 27 May 2004 on investment funds and management of alternative investment funds (as amended by the Act of 16 August 2023 amending certain acts in connection with ensuring the development of the financial market and the protection of investors on that market), a new service is planned to be launched at KDPW in the area of disclosure of holders of investment certificates.

A new web-based application will be developed for issuers to handle requests for disclosure and exchange of the identification of investment certificate holders. For participants involved in the handling of investment fund certificates, an exchange of electronic messages compliant with ISO 20022 will be provided.

Dates

- Distribution of detailed material, including message structures, regarding the proposed changes — 01.2024

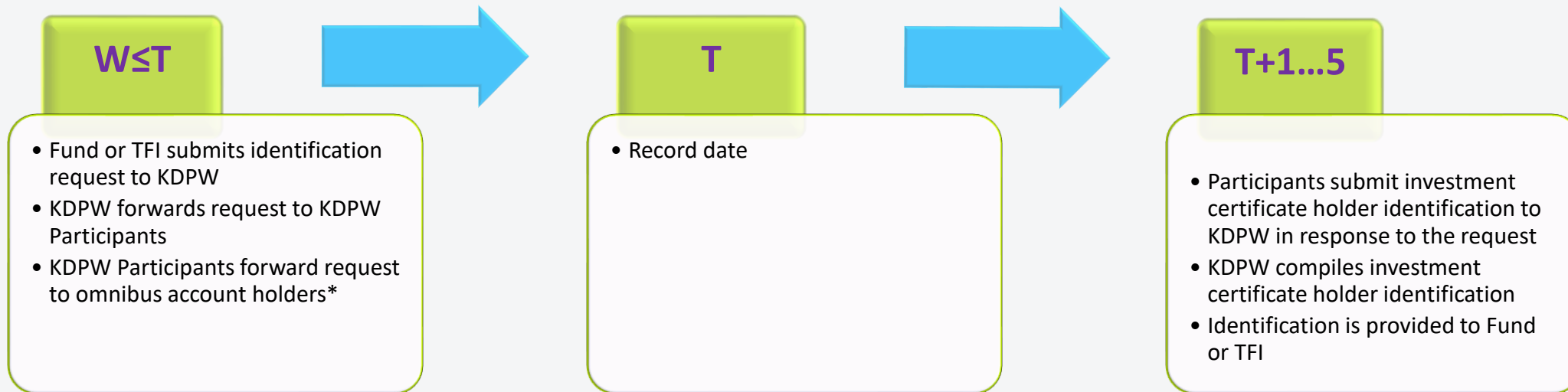- Opening of test environment and start of testing — from 04.2024

- Launch of the service — 29.05.2024

Spring implementation window CSD

Changes related to the area of disclosure of investment certificate holders

**Timeline for disclosure of investment certificate holders**

W≤T

- Fund or TFI submits identification request to KDPW
- KDPW forwards request to Participants
- KDPW Participants forward request to omnibus account holders*

T

- Record date

T+1...5

- Participants submit investment certificate holder identification to KDPW in response to the request
- KDPW compiles investment certificate holder identification
- Identification is provided to Fund or TFI

* if the request contains an instruction to forward it to omnibus account holders

Modifications to KDPW and KDPW_CCP IT systems planned for 2024

Spring implementation window CSD

Changes related to the area of disclosure of investment certificate holders

ISO 20022 message flow diagram:

- **Typical process for disclosure of investment certificate holders**
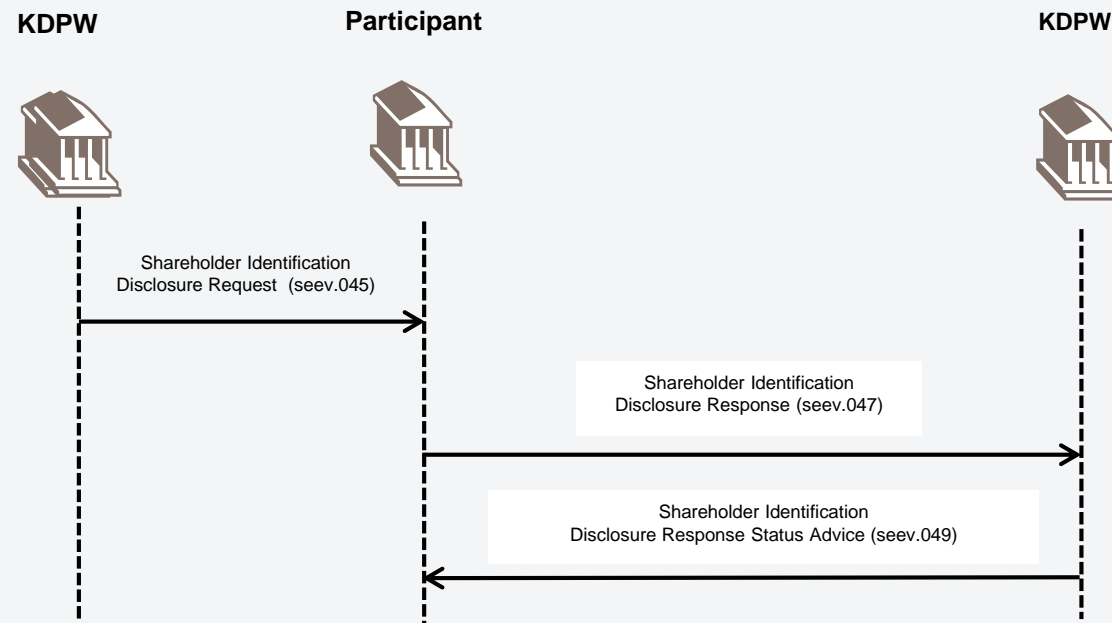
Summer implementation window CSD

Implementation of changes to the settlement discipline process for the collection and redistribution of cash penalties

Joanna Dmowska, Żaneta Skorupska-Świrska

Following the amendments to the Technical Standards for the settlement discipline (Delegated Regulation 2023/1626) published on 11 August 2023, modifications will be made to KDPW's IT systems in relation to the collection of penalties for late settlement and changes to the process of redistribution of charged amounts to counterparties. In particular, all charged penalties (including those relating to transactions involving the CCP) will be subject to settlement in KDPW. The scope of reporting of charged penalties to KDPW participants will also change, as will the scope of payment orders generated with settlement of penalties. Solutions will be implemented to redistribute the costs resulting from additional charges to KDPW_CCP.

Dates

• Communication of details of the scope of adaptations	03.2024
• Opening of test environment and start of testing	06.2024
• Roll-out	02.09.2024

Autumn implementation window CSD

Implementation of new solutions for GM services

Leszek Kołakowski

Extending the scope of the General Meetings (GM) service by ensuring the exchange of ISO 20022 messages between KDPW and the institution representing the issuer and improving KDPW's software for general meeting services.

We are planning to update the version of the ISO 20022 messages in the area of GMs and shareholder identification (as part of a strategic effort to adapt to changes in the versions of messages in the ECB SCoRE system); to improve the GM web application according to the needs reported by issuers.

Dates

- Distribution of detailed material on the proposed changes — 06.2024

- Opening of test environment and start of testing — from 09.2024

- Roll-out — 16-17.11.2024

Implementation windows 2024

Q&A

3.
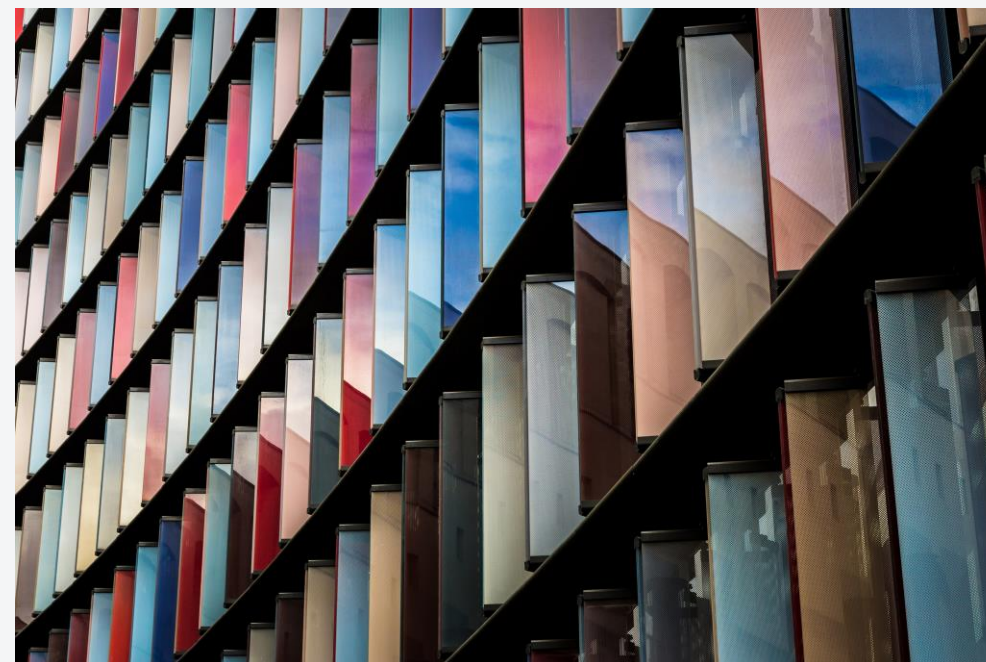
Implementations planned in 2024 - 2025

Implementations planned in 2024 - 2025

Adaptation of KDPW Group systems to the new trading system WATS

Andrzej Kamiński, Żaneta Skorupska - Świrska

The schedule of project work on the KDPW Group side depends on the WATS project schedule.

The main area of system modifications on your side is related to changes in the area of ISO20022 Securities Clearing messages (secl):
- upgrade to the current version of the standard Clearing 3.0,
- addition of a standard KDPW communication envelope used for other message groups,
- extending the information content of the messages to meet the requirements of the WATS system.

*Dates
depending on the GPW WATS implementation schedule:

- Distribution of detailed material on changes to ISO20022 messages in the area of Securities Clearing (secl) — 03.2023

- eUAT in EQX available to clients — 11.2023*

- Release of a new version of ISO20022 messages in the area of Securities Clearing (secl) in TST — 03.2024

- PreProd in EQX available to clients — 05.2024*

- The new versions of the messages (secl) will be launched in conjunction with the roll-out of the new system WATS — **11.2024***

Implementations planned in 2024 - 2025

Development of a clearing service for WIRON-based OIS

Marcin Truchanowicz, Monika Przybylik

The project aims to adapt IT systems and clearing and risk management processes and regulations to support the new WIRON benchmark and to convert the transaction portfolio to instruments based on the new benchmark.

Note: Information on the clearing of WIRON-based OIS and the conversion of legacy portfolios is provided to you on an ongoing basis as part of the work of the National Working Group (stream #6 - clearing houses).

Dates

• Clearing tests of the standard WIRON OIS	from 10.2023
• Communication of amendments to the Detailed Rules of the OTC Clearing System regarding the clearing of WIRON-based OIS	04-05.2024
• OIS clearing tests with additional characteristics	from 04.2024
• **Start of clearing of OIS transactions** (following authorisation)	**06.2024**
Conversion of the **legacy portfolio**	**Q4 2027**

NOTE: Following the decision taken by the Steering Committee of the National Working Group on Benchmark Reform, the conversion of WIBOR to WIRON has been postponed from 2024 to the end of 2027.
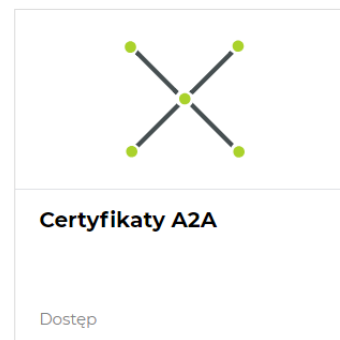
Implementations planned in 2024 - 2025

Modernisation of the handling of access certificates in A2A communication

Rafał Wawrzyniak

In the second phase of the project, an upgrade will be carried out in 2024 in the area of SWI communication, i.e., in the area concerning services for KDPW direct participants (including ARM services and the Compensation Scheme) and KDPW_CCP clearing members.

As part of the changes, in addition to transferring the model introduced by phase one of the project into the area of SWI services, a separation will be introduced at the level of the KDPW Group with regard to authentication for MQ communication at KDPW and KDPW_CCP. This will imply the need to apply for a separate certificate to establish A2A communication with KDPW_CCP. There will also be a change to the ESDK protocol to waive verification of the digital signature of transmitted messages. The whole process will also move away from the current model of bilateral agreements and the SWI Rules.

Certyfikaty A2A

Dostęp

Dates

- Distribution of detailed materials, including MQ configuration specifications for A2A communication, instructions and description of the implementation of changes in A2A communication

12.2024

- Implementation of changes in the handling of access certificates in A2A communication for KDPW and KDPW_CCP services. (switching windows for new solutions will be planned for **early 2025**)
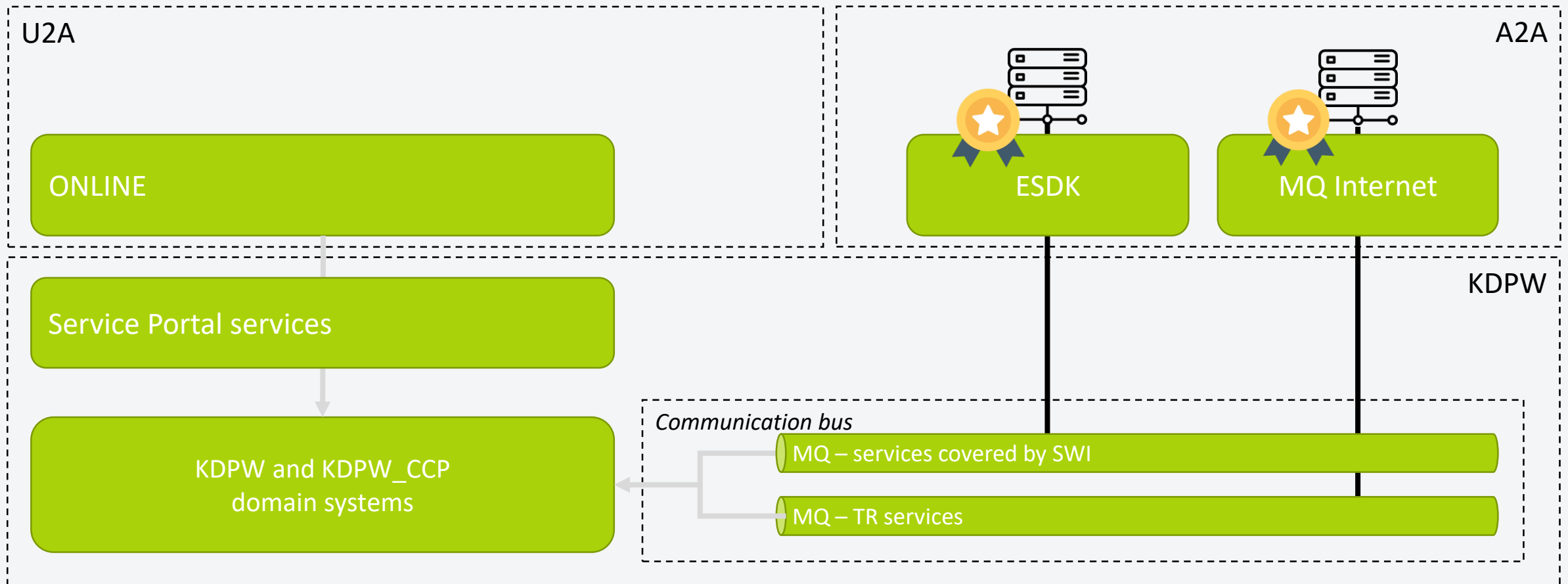
12.2024

Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

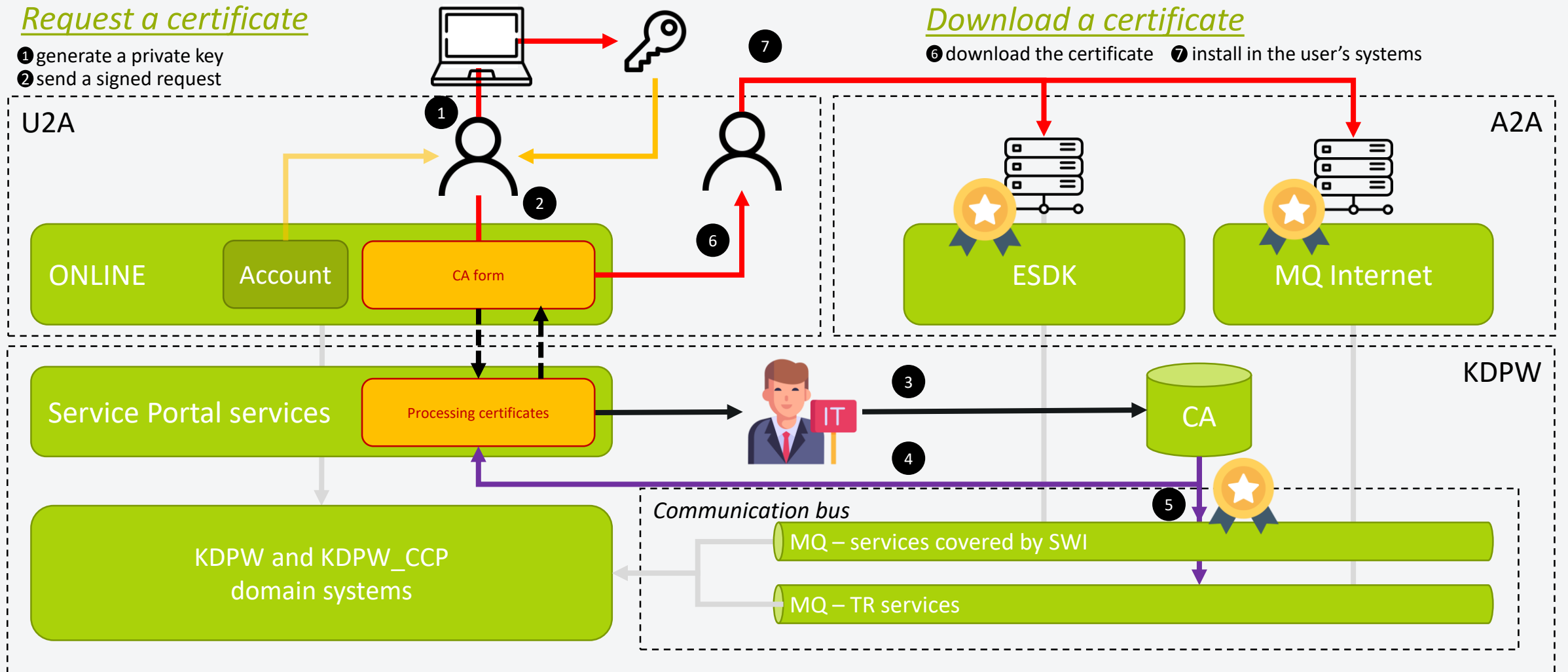## A2A certificates - authentication for communication between systems

U2A
A2A

ONLINE

ESDK

OMQ Internet

KDPW

Service Portal services

Communication bus

MQ – services covered by SWI

KDPW and KDPW_CCP
domain systems

MQ – TR services

Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

Request a certificate

❶ generate a private key
❷ send a signed request

Download a certificate

❻ download the certificate   ❼ install in the user's systems

U2A

A2A

ONLINE   Account   CA form

ESDK   OMQ Internet

KDPW

Service Portal services   Processing certificates   IT   CA

KDPW and KDPW_CCP
domain systems

Communication bus

MQ – services covered by SWI

MQ – TR services

Modifications to KDPW and KDPW_CCP IT systems planned for 2024

Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

Access to certificates for all environments within the production service – online.kdpw.pl

Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

Separation of service communications with regard to KDPW and KDPW_CCP

Project Phase 1 – communication with online certificates

- EMIR – EMIR Trade Repository reporting services
- ARM – ARM reporting services (participants not covered by SWI communication)
- SFTR – SFTR Trade Repository reporting services
- LEI – LEI issuance automation services
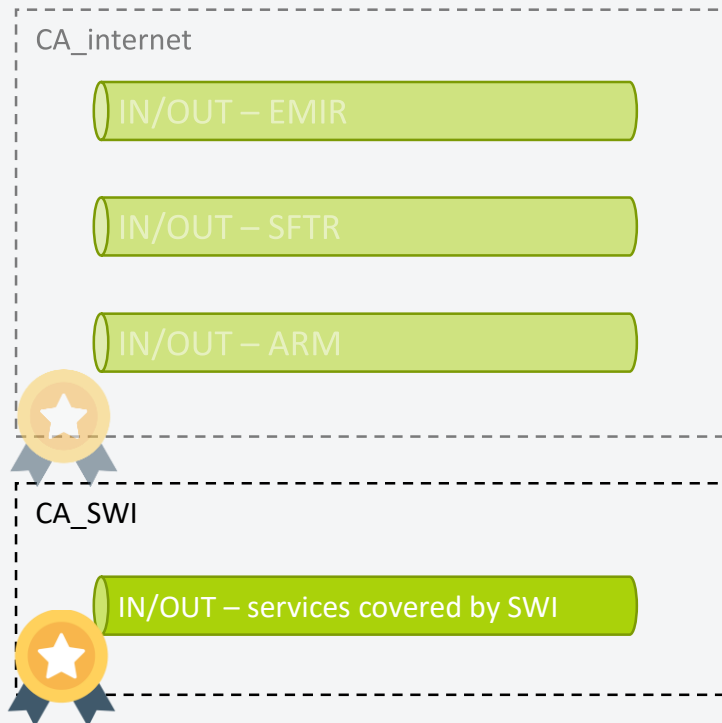
Project Phase 2 – communication in SWI

- **CSD** – core services of the depository and settlement system
- **CCP** – clearing services provided by KDPW_CCP
- **ARM** – ARM reporting services (direct participants reporting to ARM)
- **SR** – services of the Compensation Scheme for direct participants

Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

Separation of service communications with regard to KDPW and KDPW_CCP

Legacy model

CA_internet
- IN/OUT – EMIR
- IN/OUT – SFTR
- IN/OUT – ARM

CA_SWI
- IN/OUT – services covered by SWI

Target model

CA
- IN/OUT – EMIR
- IN/OUT – SFTR
- IN/OUT – ARM
- IN/OUT – CSD
- IN/OUT – SR

CA
- IN/OUT –CCP

Modifications to KDPW and KDPW_CCP IT systems planned for 2024
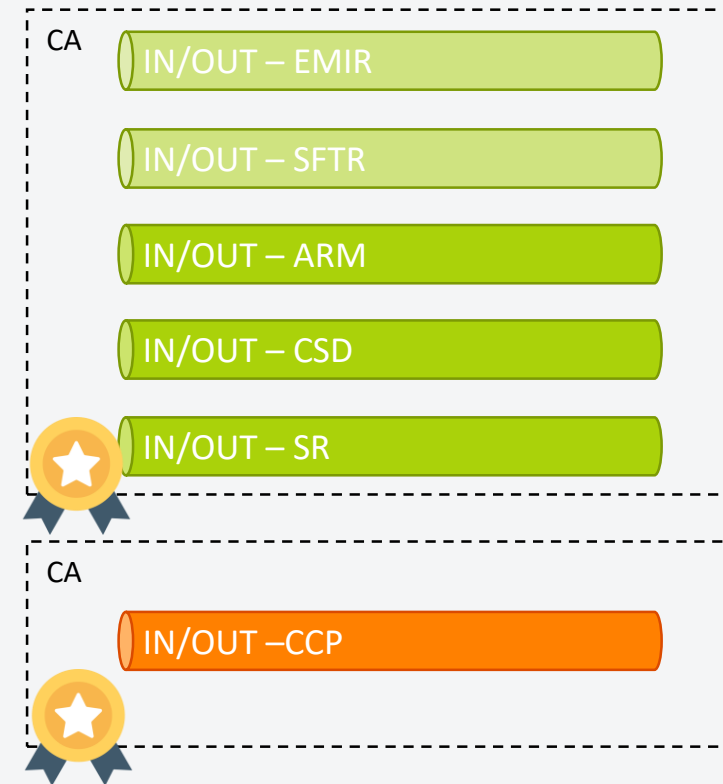
Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

Separation of service communications with regard to KDPW and KDPW_CCP

Separation of communications for KDPW services (recipient code – 0001)

Authenticated access to communication queues with the use of a certificate issued by KDPW using a dedicated application and in accordance with the scheme appropriate for KDPW services

- **SWI -> CSD** – A2A communication for CSD services
- **SWI -> ARM** – A2A communication for ARM services
- **SWI -> SR** – A2A communication for the Compensation Scheme

Separation of communications for KDPW_CCP services (recipient code – 0010)

Authenticated access to communication queues with the use of a certificate issued by KDPW_CCP using a dedicated application and in accordance with the scheme appropriate for CCP services

- **SWI -> CCP** – A2A communication for CCP services (recipient code – 0010)

Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

Moving away from digital signatures in ESDK-based messages

ESDK box – legacy model

Nazwa pola	Długość	Typ
Numer komunikatu	9	N
Data	10	A
Godzina	8	A
ID Adresata	10	A
ID Nadawcy	10	A
Typ komunikatu	24	A
Podtyp komunikatu	4	A
Obszar zarezerwowany	20	A
Długość danych	8	N
Dane	Długość danych	B
Długość podpisu elektronicznego	8	N
Podpis elektroniczny	Długość podpisu elektronicznego	B

ESDK box – target model

Nazwa pola	Długość	Typ
Numer komunikatu	9	N
Data	10	A
Godzina	8	A
ID Adresata	10	A
ID Nadawcy	10	A
Typ komunikatu	24	A
Podtyp komunikatu	4	A
Obszar zarezerwowany	20	A
Długość danych	8	N
Dane	Długość danych	B

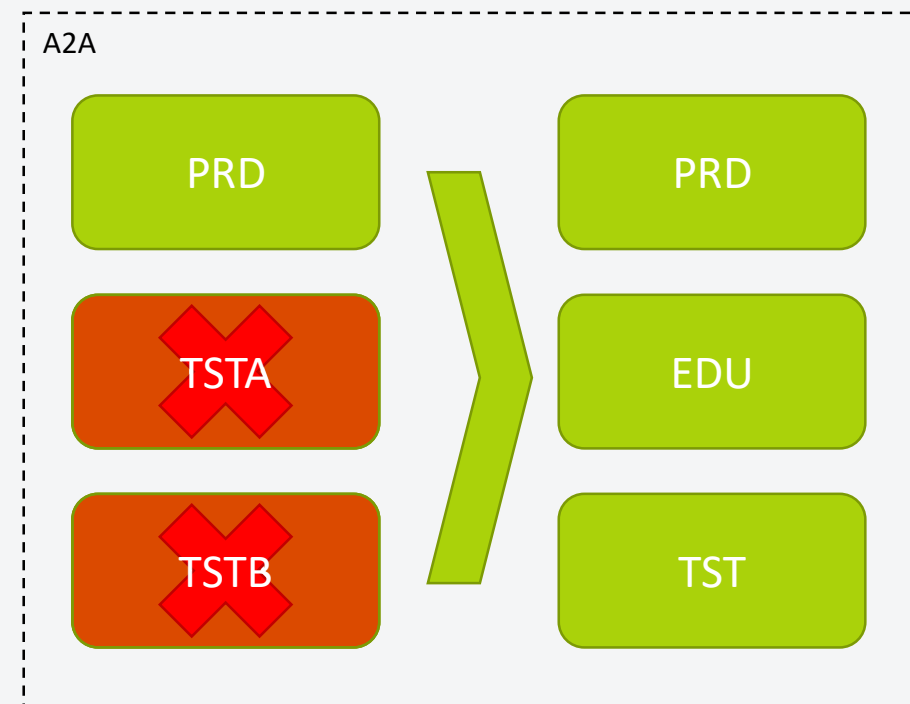# Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

Uniform naming of environments

U2A communication – **Services Portal**

U2A

PRD
https://online.kdpw.pl

EDU
https://edu-online.kdpw.pl

TST
https://tst-online.kdpw.pl
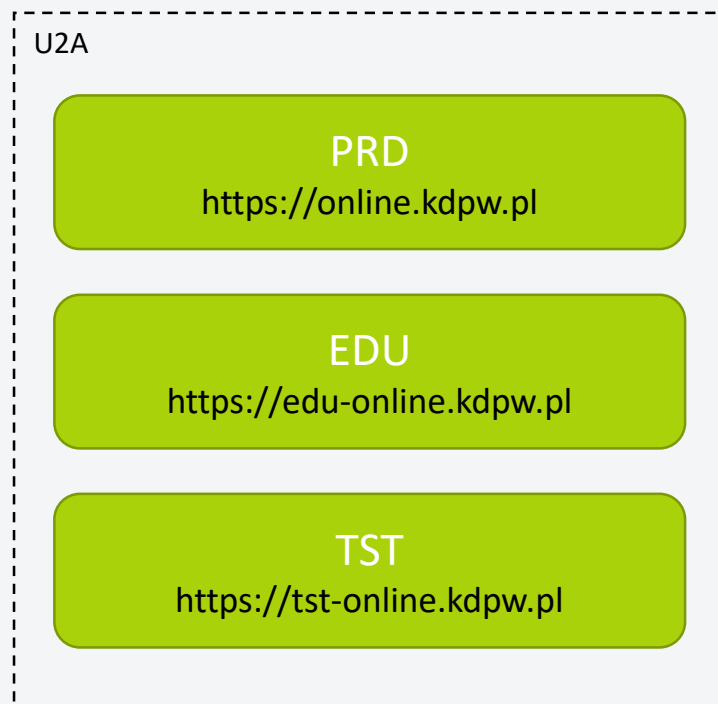
A2A communication – **automated message exchange**

A2A

PRD

TSTA ❌

TSTB ❌

PRD

EDU

TST

Implementations planned in 2024 – 2025

Modernisation of the handling of access certificates in A2A communication

Access to certificates for all environments within the production service – online.kdpw.pl

BUSINESS

DEVELOPERS

PRD

Certificate for production access

EDU   TST

Certificate for test access

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Changes in the KDPW Group Data Portal, including the development of the Register of Issuers' Obligations

Marcin Wrona

Data available for a fee

KDPW Group is developing both the technology and the content of the Data Portal (https://data.kdpw.pl).

New reports and new forms for viewing them and exporting the resulting tables will be created, as well as new API methods for their automated retrieval and for handling detailed queries.

Dates

Launch of new reports containing data from the central depository and the clearing house:
- OTC clearing report,
- collateral valuation report.

01.2024

Launch of new reports containing:
- LEI codes and assigned reference data,
- instruments registered with KDPW as secondary depository, together with the fees for custody and settlement,
- settlement of OTC debt instruments.

01.2024

Changes in the publication of corporate event reports:
- update of General Meeting reports,
- enrichment of the existing event report with, among others, the event identifier and reporting date.

04.2024

Changes in the KDPW Group Data Portal, including the development of the Register of Issuers' Obligations

Marcin Wrona

Register of Issuers' Obligations

In 2024, the main area of modifications will result from the provisions of Article 7c(1) of the Act of 29 July 2005 on Trading in Financial Instruments (as amended by the Act of 16 August 2023 amending certain acts in connection with ensuring the development of the financial market and the protection of investors in that market).

We will also optimise the reporting process using the Issuer Obligations application to the extent of providing information on the debt status and the degree of performance of benefits by issuers of bonds, covered bonds and investment certificates.

Dates

Implementation of changes in the Register of Issuers' Obligations resulting from amendments to the provisions of Article 7c (1) of the Act of 29 July 2005 on Trading in Financial Instruments

The content of the implementing regulation is not yet known. Any extension of the scope will potentially result in changes to the applications:
- Issuer Obligations,
- Issue Registration,
- Register of Issuers' Obligations.

25-26.05.2024

Implementation of functionalities supporting the reporting of details of changes related to takeovers of entities issuing instruments and takeovers of the records of instruments of an issuer between authorised entities, through applications provided by KDPW.
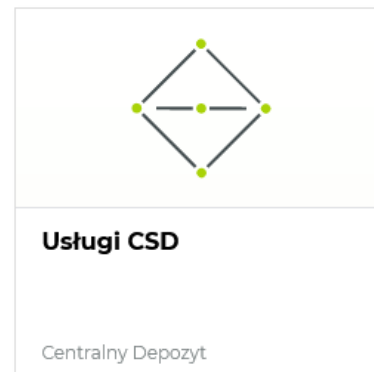
12.2024

Implementations planned in 2024 - 2025

New solutions in the KDPW Group Services Portal

Leszek Czajka

KDPW Group develops and creates new applications available through the KDPW Group Services Portal (https://online.kdpw.pl). In 2024:

1. We will implement changes to the way access is granted to applications in the KDPW Group Services Portal (we will introduce a new role - service group administrator, who can independently manage the authorisation of your employees to existing and new services).

2. We will provide a GUI interface for KDPW direct participants (a new application that will eventually cover the core services of the central depository, in particular the possibility of sending structured XML messages and reviewing sent/received XML messages).

3. We will provide an interface for exchange of correspondence (new applications for KDPW direct participants and KDPW_CCP clearing members handling file correspondence).

Usługi CSD

Centralny Depozyt

	Dates
Distribution of detailed material on the authorisation process for Service Group Administrators and other users	**04.2024**
Implementing changes to the way access is granted to applications in the KDPW Group Services Portal	**06.2024**
Launch of new application with central depository core services	**12.2024**
Launch of file correspondence	**12.2024**

NOTE: Following the launch of new applications on the KDPW Group Services Portal and the transfer of data exchange functions (system messages and correspondence) to these applications - the currently operating U2A - ESDI/Web communication channel will be taken out of service

Implementations planned in 2024 – 2025

New solutions in the KDPW Group Services Portal

Service group administrator

- Current user and administrator permissions will be maintained

- New administrator role to manage user permissions across multiple services, both current and future

- Administrator permissions at LEI code level

- Two groups of services are planned, aimed at Issuers and Direct Participants

GUI for KDPW direct participants

- Enabling data exchange with KDPW direct participants through the KDPW website (GUI), as a main or alternative way to exchange structured data (messages)

- Making the new solution (GUI) available through KDPW's Service Portal

- Ability to send structured XML messages and to review XML messages sent to and received from the KDPW

- View access to selected participant data in the depository and settlement system

Handling of correspondence

- New module in the services portal

- Access for authorised persons

- Receiving and sending correspondence from/to KDPW and KDPW_CCP

Alignment of the KDPW Group with SORBNET3

Joanna Dmowska

The KDPW Group is in the process of adapting to the new SORBNET3 system planned by the NBP.

A new structure of cash accounts will be introduced in SORBNET3 (among others, participants will be allowed to have, in addition to their main account, other current accounts, and ancillary accounts will be held by ancillary systems).

The KDPW Group's IT systems will be adjusted accordingly to enable the continuation of activity in the areas of:
- handling the settlement of transactions in PLN,
- handling the payment of benefits from securities in PLN,
- settlement of other operations in PLN.

Dates

Distribution of detailed information on the solutions adopted by KDPW	**03.2024**
Tests with participants (in addition to the mandatory set of tests required by the NBP)	**11.2024**
Launch of SORBNET3	depending on the NBP schedule **06.2025**

Implementations planned in 2024 - 2025

Q&A

Thank you