

2022-N-023  
8 March 2022

Update  
9 February 2023

# Settlement with Russian counterparties

## MT 599 attestation requirement

<p><b>Target audience</b></p> <ul style="list-style-type: none"> <li>• Network Managers</li> <li>• Compliance Officers</li> <li>• Settlement Operations</li> <li>• Back-office teams</li> </ul> <p><b>Effective date</b></p> <p>9 March 2022</p>	<p><b>Highlights</b></p> <p>To facilitate our compliance analysis on pending transactions involving <b>Russian counterparties</b><sup>1</sup>, we require clients to send us an MT 599 attestation.</p> <p>In this Newsletter, we inform you of the process that you will need to follow.</p>	<p><b>Actions</b></p> <ol style="list-style-type: none"> <li>1. Follow the process described in this Newsletter.</li> <li>2. Refer to the <a href="#">Current status of our link with Russia</a> webpage for an overview of the settlement options available to you.</li> </ol>
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For each pending transaction involving a Russian counterparty, **as from tomorrow, 9 March 2022**, we require you to send us an MT 599 template:

1. declaring that:
  - your transaction does not breach any of the Sanctions
  - you have performed the required due diligence controls on your client and on the transaction in accordance with Anti-Money Laundering and Counter (AML) and Combating the Financing of Terrorism (CFT) requirements
2. providing full transparency on the purpose of the transaction, on the beneficial owners and the intermediaries in the custody chain

**Update** ▶ Please refer to the MT 599 template in **Annex** for full details. **Failing to strictly adhere to the template may lead to late processing or rejection of your attestation.**

To perform the compliance checks in an orderly manner, priority will be given first to settlement instructions with the oldest settlement date.

<sup>1</sup> By Russian counterparty, we mean an entity located in Russia or a branch of a Russian entity.



### **Update** ▶ **Instructions in scope**

The table is applicable only when at least one of the counterparties in the transaction is a Russian entity. For the avoidance of doubt, for **internal settlement**, both the buyer and seller must provide the MT 599 attestation:

<b>Security type</b>	<b>Settlement type</b>	<b>Euroclear Bank Participant requirement</b>	<b>Action for your counterparty</b>
Russian domestic securities	Internal*	MT 599 in annex	MT 599 in annex
Any other security	Internal	MT 599 in annex	MT 599 in annex
	Bridge	MT 599 in annex	N/A
	External	MT 599 in annex	N/A

As communicated in our [Newsflash](#) published on 25 January 2023, internal settlement of transactions in Russian domestic securities is not possible until further notice. Please also note that RUB has been further withdrawn as a settlement currency. Please see [Newsletter 2023-N-005](#) for more details.

### **Update** ▶ **Important**

Given the complexity of the Sanctions screening, the **validation of your attestation** will go through a non-STP process. As a result, settlement feedback may take some time. With this in mind, we ask for your patience during this process.

If we obtain sufficient comfort (via your MT 599 or additional information and documentation requested) that your settlement instruction(s) fall within the permitted activities, then such instructions would be allowed to continue their processing cycle. If it is not the case, then your instructions would not be executed. **Please note that for internal settlement transactions, the validation process includes checking for the alignment of content in the delivering and receiving party's attestations (e.g. the purpose of the trade).**

For follow-up of the lifecycle of your instruction, we advise you to consult your settlement reporting regularly.

We will not take any liability for any damage or loss resulting from such investigation and/or delay in processing of your instruction due to such investigation.

As a reminder, we will not apply penalties for late matching and settlement due to sanctions monitoring.

We remind you that our Participants are expected to comply with all relevant regulatory and legal obligations related to Sanctions in application of, among others, Article 15 of the [Terms and Conditions governing use of Euroclear](#).

### **Latest status on our link for Russia**

For the most up-to-date date information on our link with Russia, please visit our [Current status of our link with Russia](#) webpage.

## Keeping you informed

We are closely monitoring the situation and will keep you informed of any further developments.

## Who to contact?

Contact	Contact details
Your Account Manager	<ul style="list-style-type: none"><li>• <a href="#">Taskize</a>: in the <b>Add parties</b> section &gt; <b>Organisation</b>: select: <b>Euroclear Bank</b> and <b>Function</b>: select <b>Account Management</b></li><li>• +32 2 326 2812</li></ul>



## Annex – MT 599 template

You must use the MT 599 template below to confirm to us that the relevant transaction in the impacted securities falls under the scope of permitted activities under the Sanctions and therefore, is not in violation of the Sanctions.

**Update** ▶ You can include up to **ten transfers** per MT 599 template **under the conditions that you do not need to split the MT 599 in several parts due to lack of space. If you need to split an MT 599 in several parts, you can only include one transfer in the MT 599.** To avoid delays in processing or rejection of your related settlement instruction you must:

- use the **exact** MT 599 confirmation template below
- list **only** the transfer details requested and in the order provided  
i.e. [Euroclear account], [Euroclear reference], [ISIN], [number of units]

**Note:** the answers to the questions you provide must be applicable to all the transactions you mention in the same MT 599. Otherwise, you will need to send additional MT 599s.

**Update** ▶ If you need to split an MT 599 in several parts due to lack of space (**in which case you can only include one transfer in the MT 599**), you must repeat the **Euroclear reference of the transfer** in the related reference (field 21) of each additional message.

*Example:*

First MT 599

[...]

Transfer: [Euroclear account], [**Euroclear reference**], [ISIN], [number of units]

[...]

MT 599 messages that continue the information of the first MT 599:

FIELD 21: [**Euroclear reference of the transfer**]

**Important** - if you do not enter the Euroclear reference in this way, we will be unable to process your MT 599 attestations.

**MT 599 required format**

Attention: Euroclear Bank Settlement Operations (SWIFT BIC: MGTCBEBE)

Reference code: **RUSSIA99A**

Transfer 1: [Euroclear account], [Euroclear reference], [ISIN], [number of units]  
(repeat as necessary)

We confirm that the transaction does not represent, directly or indirectly, any prohibited activity under sanctions laws, regulations, embargoes or restrictive measures enforced by the United Nations Security Council, the European Union, the United Kingdom and the US including those administered by the United States Office of Foreign Assets Control (OFAC).

We also confirm that we have performed our due diligence controls on our client and on the transaction in accordance with AML and CTF requirements.

Questions to answer:

1. What is the purpose of the transaction?
2. Will there be a cash exchange linked to the trade (in/outside) of Euroclear Bank?  
(Please confirm **Yes** or **No**)
3. Who is the current final beneficial owner and who will be the new beneficial owner?  
(Please provide the **first name and last name or full legal entity name** (without abbreviations))
4. Who are the intermediaries in the chain? (Please list them all by **full legal entity name** (without abbreviations))
5. Is the beneficial owner a Russian national or natural person residing in Russia or an entity established in Russia? (Please confirm **Yes** or **No**)

Contact person's details: [Name], [Phone number], [Email address]



### Examples of completed MT 599 template

Below, you see an example of the transfer details and the answers to the questions. On the next page, you see how this would look in SWIFT MT 599 format. We have colour-coded the data for ease of reference.

#### MT 599 required format

Attention: Euroclear Bank Settlement Operations (SWIFT BIC: MGTCBEBE)

Reference code: RUSSIA99A

Transfer 1: 12345, 1234567, AB1234123412, 4000

We confirm that the transaction does not represent, directly or indirectly, any prohibited activity under sanctions laws, regulations, embargoes or restrictive measures enforced by the United Nations Security Council, the European Union, the United Kingdom and the US including those administered by the United States Office of Foreign Assets Control (OFAC).

We also confirm that we have performed our due diligence controls on our client and on the transaction in accordance with AML and CTF requirements.

Questions to answer:

1. What is the purpose of the transaction? **Sale of securities via broker**
2. Will there be a cash exchange linked to the trade (in/outside) of Euroclear Bank? (Please confirm **Yes** or **No**) **Yes**
3. Who is the current final beneficial owner and who will be the new beneficial owner? (Please provide the **first name and last name or full legal entity name** (without abbreviations)) **Current John Smith, John Smith, John Smith, John Smith, John Smith**  
**New Company ABC**
4. Who are the intermediaries in the chain? (Please list them all by **full legal entity name** (without abbreviations)) **Company XYZ**
5. Is the beneficial owner a Russian national or natural person residing in Russia or an entity established in Russia? (Please confirm **Yes** or **No**) **Yes**

Contact person's details: **John Smith, +33 3333 333, john.smith@company.com**

ATTENTION: EUROCLEAR BANK SETTLEMENT OPERATIONS  
(SWIFT BIC: MGTCBEBE) REFERENCE CODE: RUSSIA99A  
TRANSFER 1: 12345, 1234567, AB1234123412, 4000  
WE CONFIRM THAT THE TRANSACTION DOES  
NOT REPRESENT, DIRECTLY OR INDIRECTLY, ANY PROHI  
BITED ACTIVITY UNDER SANCTIONS LAWS, REGULATIONS  
, EMBARGOES OR RESTRICTIVE MEASURES ENFORCED BY  
THE UNITED NATIONS SECURITY COUNCIL, THE EUROPEA  
N UNION, THE UNITED KINGDOM AND THE US INCLUDING  
THOSE ADMINISTERED BY THE UNITED STATES OFFICE  
OF FOREIGN ASSETS CONTROL (OFAC). WE ALSO CONFIR  
M THAT WE HAVE PERFORMED OUR DUE DILIGENCE CONTR  
OLS ON OUR CLIENT AND ON THE TRANSACTION IN ACCO  
RDANCE WITH AML AND CTF REQUIREMENTS. 1.SALE OF  
SECURITIES VIA BROKER 2.YES 3.CURRENT JOHN SMITH JOHN  
SMITH JOHN SMITH JOHN SMITH JOHN SMITH NEW COMPANY  
ABC 4. COMPANY XYZ 5.YES CONTACT PERSON DETAILS: JOHN  
SMITH, +33 3333 3333, JOHN.SMITH@COMPANY.COM