Market Notice

London Stock Exchange

18 December 2014

N13/14
Notification of new rule - Central Securities Depositories Regulation (CSDR) Article 3

Introduction

1. This Notice is published further to Stock Exchange Notices N08/14 and N12/14 which discussed the EU Regulation on Central Securities Depositories (CSDR), the requirements of Article 3 and its impact on the Rules of the London Stock Exchange ("the Exchange" and "the rules").

Proposed new rule

2. N12/14 confirmed the Exchange's intention to introduce a new rule requiring order book trades to be settled electronically in order to be compliant with CSDR Article 3(2). As a result, Attachment 1 to this Notice contains the proposed new rule together with a new definition. Standard notification procedures (Datasync) will be used in relation to any securities which will change segment/sector as a result of the implementation of this rule.

3. As stated in N12/14 Regulation S, Category 3 securities, will be excluded from the new rule until 1 June 2015. These securities will remain in their current trading service sectors and the Exchange will continue to work with Euroclear UK & Ireland, affected issuers and their advisers towards an electronic settlement solution.

Effective date

4. The new rule and definition as detailed in Attachment 1 will become effective from Monday 5 January 2015.

5. An updated version of the rules will be available from the above date on the Exchange's website at:

    http://www.londonstockexchange.com/traders-and-brokers/rules-regulations/rules-regulations.htm

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Queries

6.   Any queries on this Notice should be addressed to Dagmar Banton, telephone +44 (0)20 7797 1210 (STX 31210) or email dbanton@lseg.com

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This Stock Exchange Notice will be available on the website at
http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/

Calls to London Stock Exchange plc may be recorded to enable London Stock Exchange to carry out its regulatory responsibilities