

Dear Customer!

Recently we have sent you an information material on **EMIR regulation** that might be relevant for your business activity as well. Please note, that EMIR only affects you if you conduct derivative transactions (futures, options, swaps) in the course of your activity. If you do so, please carefully read the information material.

Besides, hereby we would like to inform you about the most important **operative actions** concerning EMIR:

## **I. Portfolio reconciliation**

In case you have open deals falling under the effect of EMIR regulation, or you do not have such open deals, but you have signed a Treasury Framework Agreement with us and have trade limits, we need to agree in writing on the methods and channels of EMIR reconciliation and also on the dispute resolution process.

- For Financial Counterparties (FC) this means signing the ISDA EMIR Adherence letter and the exchange of certain relevant data.
- For Non-Financial Counterparties (NFC) we have prepared a modification as an Appendix to the Treasury Framework Agreement.

Our colleagues will soon contact you concerning the data-exchange and the signing of the amendment.

In case – based on the number of open deals – a reconciliation will come into effect our colleagues will contact you in a timely manner.

- For Financial Counterparties (FC) daily, weekly and quarterly reconciliation is possible.
  - Weekly reconciliation (above 50 deals) is generally done on Mondays for the preceding week. Next weekly reconciliation (below 50 deals) will be done on 13th December 2013, and then regularly on 15th March, June, September and December. In case any of the target dates are bank holidays, we shall reconcile on the preceding working days.
- For Non -Financial Counterparties (NFC) quarterly and annual reconciliation is possible.
  - Next quarterly reconciliation (above 100 deals) will be done on 13th December 2013, and then regularly on 15th March, June, September and December.
  - Next annual reconciliation (below 100 deals) will be done on 15th March 2014. In case any of the target dates are bank holidays, we shall reconcile on the preceding working days.

It is possible to increase the frequency of reconciliation on mutual agreement of the parties.

## **II. Trade Repository reporting**

According to EMIR regulations – in order to increase market transparency - all parties have to report their deals in a predefined format to a centrally nominated Trade Repository (TR) on the day following the trade date.

Based on the currently available information the first possible date for TR reporting is 12. February 2014.

Non -Financial Counterparties (NFC) might assign the Bank to fulfill TR reporting on their behalf. We have prepared this agreement also as an Appendix to the Treasury Framework Agreement. Our colleagues will soon contact you concerning the potential signing of the amendment.

Please note, that on a longer term for both reconciliation and TR reporting in EMIR you might need a so called Legal Entity Identifier number (LEI). Please consider to acquire a LEI code from the relevant international websites (e.g. <https://www.ciciutility.org/>).

Should you have any further question, please contact your relationship manager.

Best regards,

**Raiffeisen Bank**