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Plan for the Resolution of Errors and Discrepancies

Decision by the CEO

To: Depository Participants

Reference to Euroclear Finland Rules:	3.10.6
Entry into force:	7 May 2018
Supersedes:	The CEO's Decision on Plan on the Settlement of Errors and Discrepancies in force as of 1 July 2013

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Euroclear Finland Ltd – Decision by the CEO

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1 Scope of Application

This Decision shall apply to organisations applying for a license to operate as a Depository Participant as well as to organisations that have been granted said status. Furthermore, this Decision shall apply to notifying Euroclear Finland of any errors detected in the Book-Entry Register.

2 Purpose and Aims

The purpose of this Decision is to ensure that there are sufficient contingencies for resolving error situations in the Book-Entry System.

A resolution plan is part of the supervision exercised by Euroclear Finland in a bid to reduce the risks associated with the Book-Entry System.

3 Definitions

Data System Owner shall refer to a person who has the overall responsibility for a data system.

Safeguard shall refer to a guideline, method or a programmed mechanism which, when used, results in greater security by preventing or minimising damage threatening a system.

4 Contents of the Decision

4.1 Responsibility Allocation

The Data System Owner and other persons responsible for resolving errors shall be specified and the allocation of these responsibilities described in a resolution plan.

4.2 Plan Availability and Training

The Data System Owner shall ensure that all persons employed or commissioned by the Depository Participant who participate in resolving errors and discrepancies have access to the resolution plan. In addition to general user training provided for the Book-Entry System, the Data System Owner shall ensure that all persons participating in resolving errors and liabilities are aware of their tasks and responsibilities and know how to act in each particular situation. The resolution plan shall demonstrate how the Depository Participant intends to meet this requirement.

4.3 Error Detection

The resolution plan shall provide a rough outline of the methods used for detecting errors and discrepancies as part of everyday operations, including:

- general electronic safeguards, such as identity and access management;
- verification of input data residing in the system;
- work processes and the associated routine inspections;

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- account balance inspections and other similar inspections performed at regular intervals; and
- other electronic and manual methods for systematic error detection.

4.4 Reporting Error Situations and Discrepancies

The resolution plan shall include a procedure for reporting error situations and discrepancies to the Data System Owner. Additionally, the plan shall include a procedure for documenting error situations and, whenever possible, preventing them from recurring.

4.5 Correcting Errors

The plan shall describe the general principles for error resolution, covering both internal errors in Depository Participant systems as well as those occurring between two or more Depository Participants.

4.6 Error Notifications

The resolution plan shall indicate the parties to whom the different types of errors and interruptions detected shall be reported.

Euroclear Finland requires that any errors or interruptions pertaining to Euroclear Finland's systems or caused thereby are immediately reported to Euroclear Finland Operations.

Furthermore, a written report shall be created for errors occurring in the data transmission between Depository Participants as well as other malfunctions, errors and discrepancies that have a material effect on operations. The report shall be signed and addressed to Euroclear Finland by the Data System Owner.



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