

KELER's Depository Announcement -  
No. 9-23  
on the Services Provided by KELER Through  
the WARP System

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## Table of Contents

<b>1. Introduction .....</b>	<b>2</b>
<b>2. WARP clients and users .....</b>	<b>2</b>
<b>3. The WARP distribution process .....</b>	<b>3</b>
<b>4. Settlement of investment fund units distributed through WARP .....</b>	<b>4</b>
<b>5. Ancillary services .....</b>	<b>5</b>
a) Trailer fee reports .....	5
b) BAMOSZ exchange rate transfer .....	5

## 1. Introduction

This Depository Announcement contains the services provided by KELER WARP.

The WARP (Wide Application Routing Platform) is a web-based order routing system operated by KELER for participants involved in the distribution of open-ended investment units, which supports the clearing, settlement and ancillary processes related to distribution.

The main function of the system is to calculate and confirm the settlement amounts and quantities of distribution orders (covering the subscription, redemption or switch) of open-ended investment units submitted by Distributors, based, in principle, on the price per unit, and to determine the net positions to be settled between each Distributor and the Settlement Agent, i.e. to settle them. In additions, on the intended settlement date of the distribution orders, WARP will generate and send to KELER's settlement system the settlement instructions involving the top-up (SUBS) or mark-down (REDM) of investment units and update the original distribution orders based on their status.

Detailed information on the use of the system is contained in the [User Manual](#) available on the KELER website.

The terms used in the Depository Announcement shall have the same meaning as defined in the GBR.

## 2. WARP clients and users

WARP's services can be used by concluding the relevant service agreement. In the system, the so-called partner roles define which functions, tasks and rights a Client can access in WARP in relation to a certain ISIN.

The User Manual defines the tasks and rights of the WARP partner roles (Fund Manager, Distributor, Main Distributor, Price Uploader (NAV Manager), Settlement Agent, Custodian).

All Client wishing to access the system are required to conclude the service agreement regardless of the partner role to be played by the given WARP user.

A Client may have more than one WARP partner access (code) if it has more than one central securities account. The Client determines on the form that is part of the service agreement the central securities account to be linked in WARP.

For the purpose of distributions and related settlements, any KELER Account Holder (except Issuers) may, upon authorisation, be granted the right to dispose of an account for any Client who has access to the WARP system, specifically for the purpose of settling orders available through WARP. The authorisation may be granted to any securities account held with KELER and any cash account held with KELER or the MNB for settlement purposes.

The Client with authorised WARP access will be entitled to initiate settlements directly on the authorising Account Holder's account once it holds the assigned account, and a distributor partner role.

The right to dispose of the account linked to WARP can be initiated by signing a separate agreement to that effect.

### 3. The WARP distribution process

Only open-ended investment units with an ISIN code starting with 'HU' may be traded in the system, for which both the Fund Manager and its authorised Settlement Agent are contracted active participants in the system. (The Account Holder acting as the Settlement Agent is appointed by the Fund Manager outside the WARP system under a form contract.) The Fund Manager can activate the security by setting the master data of the security.

The Client with distributor partner role set for the ISIN concerned is entitled to submit distribution order. The Fund Manager is entitled to set a distributor partner role for any Client in the system.

Subscription, redemption and switch orders that can be input in the system can be given both for amount and for quantity. (Based on the security master data determined by the Fund Manager.)

The Distributor is responsible for the completion and content of orders. Further processing of the orders is possible if the orders are approved by the Main Distributor within the prescribed deadline on the day of distribution.

If the Main Distributor approval is available and the daily price of the investment fund unit is uploaded by the Price Uploader, the system calculates the settlement values of the orders. (The WARP summarizes actual securities and cash amounts to be delivered by Distributor, ISIN and settlement day, taking into account the number of pieces involved in subscription and redemption.)

(In the case of certain investment units - if the Fund Manager allows this option - the transaction can be settled on the securities or the cash side before the valid price is input, depending upon the method used to submit the instruction and the direction of the transaction.)

If the Main Distributor rejects or does not approve the order by the end of the deadline set by the Fund Manager, the order cannot be fulfilled and is cancelled automatically.

If the Main Distributor of an investment unit inputs its own subscription order as a Distributor, it is considered immediately accepted by the Main Distributor and only the actual price is necessary for the fulfilment of the subscription order. (Except for settlement without price.)

The distribution order can be recorded in the securities account and cash account assigned either in its own capacity or in the capacity of a proxy. The successful recording of a subscription order constitutes an order resulting in an account movement, and also a disposition of the account by KELER.

The Distributor can input a distribution order for the trade day concerned until the subscription cut-off (so-called WARP trade cut-off) set by the Fund Manager.

If the distribution cut-off time has expired, the system will provide the possibility to reopen the distribution window in the time window between the WARP trade cut-off and the Main Distributor approval cut-off, at the latest until the Main Distributor cut-off time. The reopening may be

initiated by the Main Distributor. During the reopened distribution (trade) period, all Distributors concerned shall have the possibility to enter an order.

If the Main Distributor approval cut-off has already passed on a given day, the reopening can only be initiated after the Fund Manager increases the Main Distributor cut-off for the ISINs concerned, i.e. sets a later time for the current date.

#### 4. Settlement of investment fund units distributed through WARP

WARP will send FOP or DVP type settlement orders to KELER's settlement system from instructions with or without a price, depending on the Main Distributor's approval or settings, on the intended settlement date of the order. (SUBS = top-up or REDM = mark-down).

The entry and settlement of a DVP-type subscription order requires that both the Distributor and the Settlement Agent have a settlement purpose cash account with KELER or the MNB or are authorised to hold such an account as a proxy.

If the Distributor and the Settlement Agent are subject to different central securities accounts (main accounts), WARP prepares and sends one settlement order to the KELER settlement system on behalf of each party and the respective clients may manage their settlement orders generated on their behalf separately via the WARP interface.

They are thus entitled to initiate settlement condition modifications to their settlement orders for the purpose of releasing or holding, or to cancel the settlement orders.

If the Distributor and the Settlement Agent are subject to the same central securities account (main account), WARP creates one already matched settlement order.

The settlement orders and the rules for their handling are subject to the general settlement rules.

The Distributor is obliged to make sure that the total quantity of securities required for the settlement of redemption is available on the intended settlement date on its securities account stated in the order, and in the case of DVP settlement, depending upon the direction of the trade, the Settlement Agent or the Distributor is required to have the cash cover for settlement in the Forint or foreign currency cash account involved. In the case of the top-up and mark-down of investment units, the partial settlement mechanism is not available.

If a settlement order submitted by WARP is rejected by KELER's settlement system as a result of validation, settlements between the relevant Settlement Agent and Distributor(s) may be settled manually by means of orders submitted outside of WARP.

It is not possible to resubmit or modify erroneous settlement orders.

The damages and consequences resulting from the failure of unsecured or held settlement orders shall be the responsibility of the Clients concerned.

The Distributor shall ensure that the distribution order related to its settlement orders that may have become rejected or cancelled during the settlement process are set to the appropriate final status (Cancelled, Closed, Settled).

## 5. Ancillary services

### a) Trailer fee reports

WARP provides the Fund Manager with the ability to access the actual daily volume data (account balances) for a given month relating to the investment units included in the trailer fee report service.

The account balances are available from the business day after the day of subscription to the trailer fee services (system input by the Fund Manager). The balances (as basis for the fee calculations) can be modified - optionally - by the correction terms recorded by the Fund Managers and the Distributors and the details of subscription orders that are flagged as trailer fee exempt.

For the volumes subject to trailer fee thus determined the system calculates the commission amount set by the Fund Manager and payable to the Distributors concerned and the result of the calculation is made available to the Fund Manager and the Distributor(s) concerned in a report.

### b) BAMOSZ price upload

Where the Fund Manager has authorised BAMOSZ price uploads in the securities master data and has previously notified BAMOSZ (outside WARP) of the security details or requested that it be recorded by BAMOSZ, the daily prices and net asset values entered into the WARP system, including new records affected by the changes, will be sent by KELER via a dedicated webservice to the BAMOSZ system, which will publish these details on the BAMOSZ website.

The data is automatically sent by WARP to BAMOSZ as soon as the price is approved on the interface. If the submission is unsuccessful, KELER will attempt to resend the data every 3 hours for a maximum of 5 days.

KELER Ltd.