

Matching rules for securities deliveries without payment of ISINs issued in Euroclear NL: settlement instructions always matched

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Admitted institutions to / participants in Euroclear NL have agreed on a market practice for the delivery without payment of ISINs issued in Euroclear NL: Market Practice document DACSI 18-1011 of 18 Jan 2018.

The essence of this market practice is:

1. Instructions for delivery of securities without payment (**f.o.p.**) **always matched**
2. Objective - to contribute to **safe and efficient** settlement processes
3. Subject - **any party** anywhere in the custody chain engaged in settlement or delivery of securities.
4. Scope - deliveries in **all ISINs issued in Euroclear NL** as CSD

This memo provides details of matching rules to be applied.

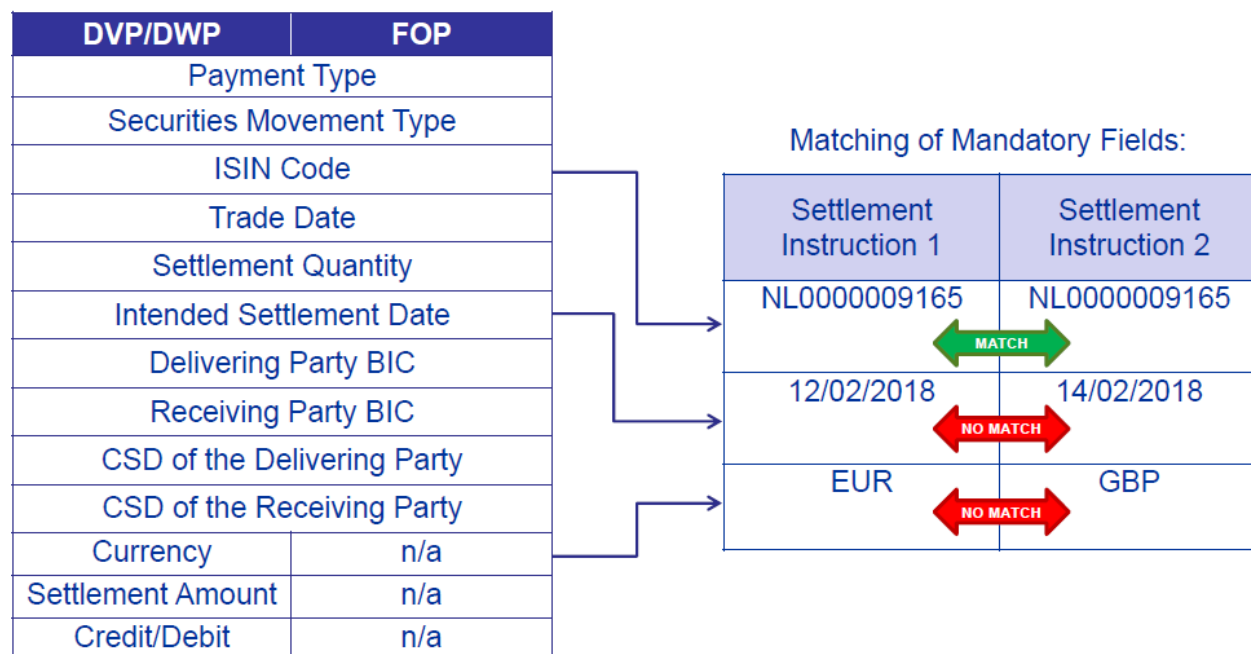
Matching rules

Timing

To enable parties to solve matching issues in a timely manner instructions should be forwarded to the next party in the chain without delay. To control the actual settlement process the Hold & Release function should be used.

Mandatory Matching fields

Mandatory Matching fields must either be supplied in the instruction or be implicitly derived from the transaction.



Additional Matching fields

Additional Matching fields are optional fields for the instruction. However, when such a field is used instructions can only match in case the field is provided in both instructions and contain the same value (**no** matching against blanks). Additional Matching fields must be agreed upon between the Buyer and Seller involved in the transaction. Intermediaries in the chain should only forward the information received from their instructing party.

DVP/DWP	FOP	Settlement Instruction 1	Settlement Instruction 2
Opt-out ISO transaction condition indicator		Opt out	Opt out
CUM/EX Indicator <small>Matching only takes into account "ExCoupon" and "CumCoupon" values for this message field. Values different from these are considered as "blank"</small>		ExCoupon	CumCoupon
n/a	Currency	CumCoupon	(blank)
n/a	Settlement Amount		
n/a	Credit/Debit		

Settlement Instruction 1	Settlement Instruction 2
Opt out	Opt out
ExCoupon	CumCoupon
CumCoupon	(blank)

Optional Matching Fields

Optional Matching fields are also optional fields for the instruction. When such a field is used instructions can match:

- in case the field is provided in both instructions and contain the same value, or
- in case the field is used in only one of the instructions (matching against blanks possible).

Optional Matching fields must be agreed upon between the Buyer and Seller involved in the transaction. Intermediaries in the chain should only forward the information received from their instructing party.

Special case: Retail Transfer instruction – In this case the initiating party (Delivering Custodian) will put the account of the Buyer in the Common Trade Reference. The receiving party will act upon the allegation message by generating a receipt instruction and populate also the account of the Buyer into the Common Trade Reference.

DVP/DWP	FOP	Settlement Instruction 1	Settlement Instruction 2
Common Trade Reference		25689	25689
Client of delivering CSD participant		BANKCCLLMAR	BARCGB210ZS
Client of receiving CSD participant		BSCHESSMMXXX	(blank)
Securities account of the delivering party		12514	12154
Securities account of the receiving party		56541	89852

Party Identifiers

BIC11 is the preferred identifier type.

Exceptions

In the following cases matching is not obligatory for:

- own account transfers;
- CCP cleared trades - based on Power of Attorney granted by account owner to CCP;
- Settlement Instructions initiated by the CSD related to Corporate action and Market Claims.