**CA469 - Accept CA instructions partially (Christine)**

Account servicers for elective reorganisation events where the issuer/offeror or its agent will only accept instructions on settled positions may choose to handle instructions from the clients on pending positions in three different ways. An account servicer may reject an instruction if the account does not have the full instructed quantity available. An account servicer may keep such an instruction pending, until the account receives sufficient securities to cover the full instructed quantity or the period of action ends and the instruction is rejected. An account servicer may also bilaterally agree with an account holder to process CA instructions partially, meaning that the account servicer will accept part of an instruction, for the quantity available on the account, and keep the remaining part of the instruction pending until additional securities are received, and then partially accept the instruction for these additional securities, until the full instructed quantity has been accepted or the remaining part is rejected at the end of the period of action.

In case the parties have agreed to process CA instructions on a partial execution basis, the status of MT565 instructions should be confirmed via MT567 as following:

* as long as the instruction is in good order, the part of the instruction that the account servicer can execute/block should be advised as “accepted for further processing” (:25D::IPRC//PACK);
* part of the instruction that the account servicer cannot execute/block should be advised as pending with the relevant reason (:25D::IPRC//PEND and :24B::PEND//PENR or :24B::PEND//LACK);
* as soon as a pending receipt settlement instruction is settled, either fully or partially (e.g. in case of partial settlement), thus increasing the settled position, that part of the original corporate action instruction should be confirmed by issuing a MT567 with status “accepted for further processing” (:25D::IPRC//PACK);
* at the end of the election period, if any part of the instruction is still pending, that part of the original corporate action instruction should be rejected (:25D::IPRC//REJT and :24B::REJT//LACK).

As a way of an example,:

1. The account owner:

* has a settled position of 10 securities
* has an outstanding receipt to acquire 5 securities
* sends an instruction (non-default option) for 15 securities
* the pending receipt settles partially for 2 securities
* at the end of the election period, the pending receipt is still outstanding for 3 securities

1. The account owner will send a MT565 instruction with a QINS = 15
2. Upon receipt of the instruction, the account servicer will issue:
   * an MT567 with :25D::IPRC//PACK for 10 securities (STAQ = 10);
   * an MT567 with :25D::IPRC//PEND and :24B::PEND//PENR or LACK for 5 securities (STAQ = 5);
3. As soon as the pending receipt settlement instruction is partially settled for 2 securities, the account servicer will issue a MT567 with :25D::IPRC//PACK for 2 securities (STAQ = 2);
4. At the end of the election period, the account servicer will issue a MT567 with :25D::IPRC//REJT and :24B::REJT//LACK for 3 securities (STAQ = 3)