Settlement and Reconciliation

Global Market Practice

Block / Bulk Trade Settlement

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Changes to previous versions			
Version 5.0 June 2002	SR2002	BLPA and BLCH codes become a standard as from November 2002. No longer to be used with Data Source Scheme SMPG.	
Version 5.1 April 2003	SR2003	BLPA and BLCH standard codes, as from November 2003, are used with a specific field :22F::BLOC indicator.	Page 10, 13 and
Version 5.2 August 2003	Typo correction	Correction of a typo in a qualifier used in illustrations.	Page 13, 14,
Version 5.3 July 2004	Clarification	Generalization of terms (e.g. “fund managers” to “account owner”) to make sure the usage of this MP is not limited to fund-manager – global custodian communications. It is applicable to any pre-agreed block trade settlement communication.	Through out the document.
	Addition	Addition of a reference to block lending.	Page 4
	Clarification	Clarification on the message types that should be sent by the instructing party to the account servicer.	Page 10
Version 5.4	Rework	Incorporate illustrations for 20022 and transfer to new template.	Through out the document.
Version 5.5	Clarification (2013)	Following discussion at Osaka 2012 reference to treatment of Partial settlement of market trade should be discussed between Account owner and Account servicer.	Page 7
Version 5.6	SR2022	Updates to Market Practice Rules following the implementation of the 99C format option in SR2022. Addition to the “NOTE” on following the implementation of the 99C format option in SR2022.	Page 10/11 Page 14

I. Scope and definitions:

The scope of this document is to define and illustrate the use of ISO 15022 and ISO 20022 formats for block (bulk) trading as discussed and decided at the SMPG.

Block Trade Settlement is the practice of settling a single market transaction with the counterparty that is then allocated to multiple accounts by the account owner on the books of the Account Servicer. It is common practice for a Account Owner and Broker to agree an transaction at an Block level with a Broker and then agree an allocations prior to market settlement. This then entails the Broker/Counterparty having to instruct many market settlements. The Block Trade Settlement MP allows the counterparty to settle one market transaction and then the allocation of securities becomes the responsibility of Account Owner and Account servicer.

The block trade instruction is composed of one parent and of at least 2 children:

- The parent is the settlement transaction that will effectively settle on the market
- The children are the re-allocation transactions of the proceeds settled through the parent transaction.

This market practice concerns block trades involving one unique account owner, one unique account servicer and one unique counterparty. The result of the block trade instruction will be the release of one unique settlement transaction to the market.

Note block trades are not allowed for all markets.

This market practice is also valid for block lending. Lending indicators (:22F::SETR//SECL or SECB for 15022 and <SctiesTxTp> SECL or SECB </SctiesTxTp> for 20022) will be used instead of trade indicators (:22F::SETR//TRAD for 15022 and <SctiesTxTp>TRAD</SctiesTxTp> for 20022). It is to be noted that like for block trading, block lending is not a process available or possible in all markets or account servicers. The usage of this MP must be pre-agreed in a SLA.

Background

The discussion around this market practice took place at the Madrid SMPG meeting in November 2000. The below definition and use of the messages for block trading was driven by several decisions on questions that were raised during the discussion:

- *Why 1 message for the parent and each children?* The use of one unique message for the parent and children (by repeating the financial instrument/account sequence C) caused problems in terms of:
  - capacity length of the message
  - cancellation/replacement of one part (children) of the block trade
  - linking of the cash details sequences with the quantities of financial instrument in sequence C
- *Why is the parent message needed? Why not only the children, the parent being calculated by the account servicer?* The sending of the parent transaction is necessary for legal reasons in some countries (it is the one and only contractual transaction). In addition, it cannot be the account servicer's responsibility to calculate the cash and securities settlement amounts to be populated in the settlement transaction.
- *Why does TOSE provide only the number of children, not the number of children + the parent?* Both solutions were equally envisaged. The group decided on the solution: number of children only.
- *Why statuses must be sent for all messages (children + parent) and not only for the parent or only for the children?* The 3 solutions were equally envisaged. The group decided on the solution: all messages should be reported on.
- *Why confirmation must be sent for all messages (children + parent) and not only for the parent or only for the children?* The 3 solutions were equally envisaged. The group decided on the solution: all messages should be confirmed.

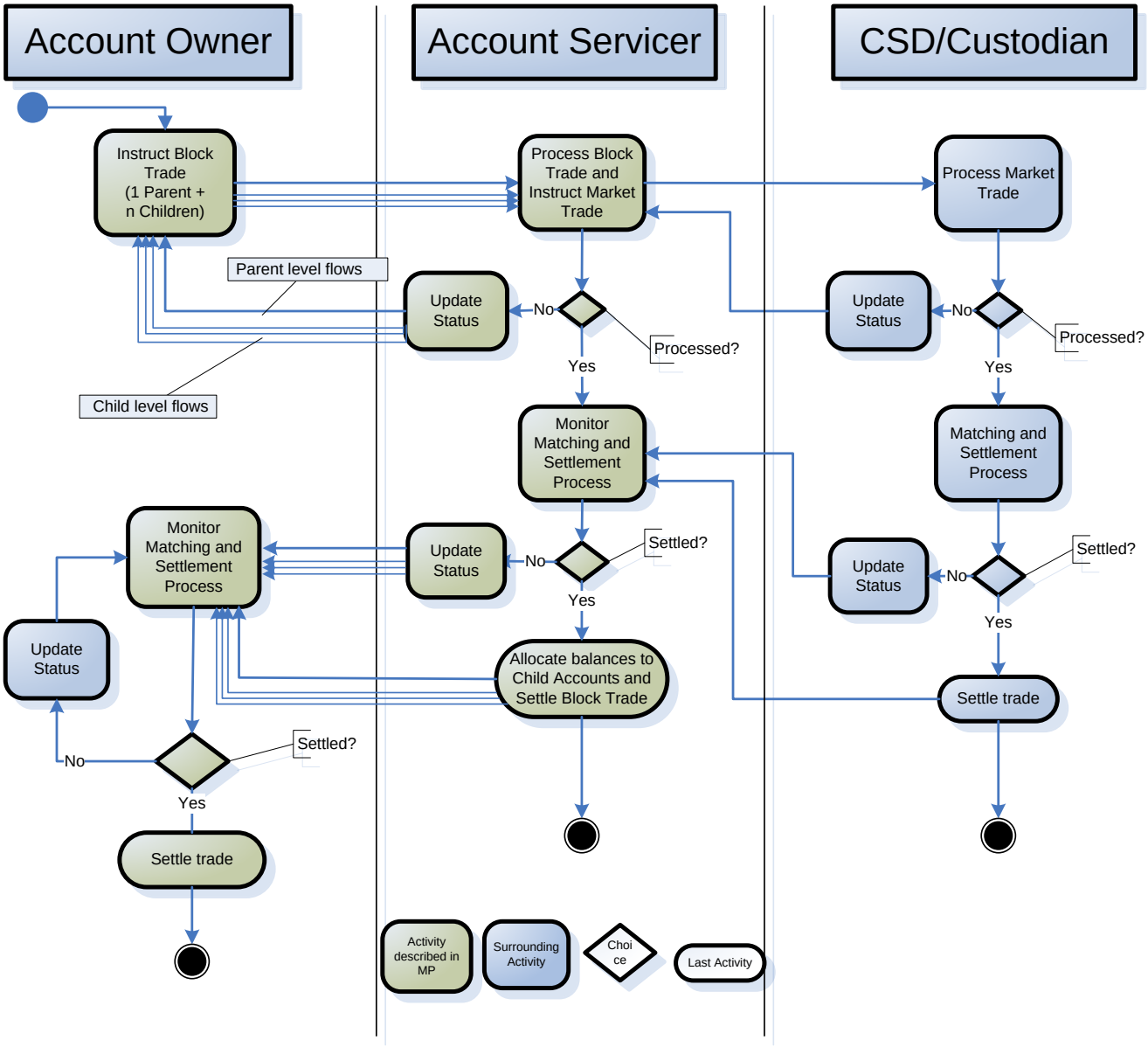
II. Actors and Roles:

This paragraph describes the roles and actors involved in the process described in the market practice document.

Account Owner	Account Servicer
Any CSD participant, ie, investment manager, custodian, broker, etc.	Central Securities Depository
Any client of a custodian	Custodian

III. Activity Diagram:

The following diagram shows the message flows and associated activities applicable for the main actors in the context of a purchase transaction. For ease of description, the flows below model the case where the Account Owner initiates the market side trades rather than match against an allegement from the CSD/Custodian.



Descriptions of the activities		
Account Owner	**Account Servicer**	**CSD/Custodian**
Instruct Block Trades: Account owner sends a set of instructions (DvP or FOP) to the account servicer; one at the parent level and one at each child level.	**Process Block Instruction**: Each instruction in the block trade instruction set is validated and a status advice is returned on both the parent and child instructions.	
	Instruct Market Side Instruction: Upon successful receipt of the full set of block trade	**Process Market Side Instruction**: CSD/Custodian does not have any view

	instructions from the account owner, the account servicer generates a single market side receipt (DvP or FOP) instruction to instruct the CSD/Custodian. ***Note***. *In the context of a purchase transaction, the account servicer may choose to check and reserve respective cash amounts within each child cash account. Conversely, in the context of a sale transaction, it is recommended that the account servicer ring fences the respective securities quantities in the child accounts to ensure that upon settlement of the market side trade, the child level allocations can also settle. In cases where for example the child instructions are expected to settle on the back of other pending settlements, such ring fencing may not be effective and it is possible that child transactions could fail despite having settled the market side trade.*	on the underlying block trades and will process the market side instruction like any other instruction. A status advice will be returned to the account servicer upon validation.
Monitor for Matching Confirmation: Upon receipt of a matching status advice, the account owner updates their records for the parent and child trades accordingly.	Monitor for Matching Confirmation: Upon receipt of a matching status advice, the account servicer will forward the same status advice at the level of both the parent and child instructions to the account owner.	Match Market Side Trade: The account servicer will attempt the match the instruction from the account servicer with the respective matching instruction from the counterparty. Upon successful matching, the CSD/Custodian will send a status advice to the account servicer.
Monitor for Settlement Confirmation: Upon receipt of a settlement confirmation, the account owner updates their records for the parent and child trades accordingly..	Monitor for Settlement Confirmation: Upon receipt of a settlement confirmation on the market side trade, the Account Servicer will attempt to settle the movements on its books at the child account level. In the case of a purchase transaction as per this example, the account servicer will receive the securities into the safekeeping account associated with the parent trade and then re-allocate into the quantities and safekeeping accounts associated with the child trades. In the case of a sale transaction, the account servicer would need to move securities ring fenced in child accounts into the account associated with the parent trade before settling the parent trade. Upon this successful settlement on the parent and child accounts, the account servicer will generate and send settlement confirmations to the account owner at the level of both the parent and child trades.,	Settle Market Side Trade: On the settlement date, the account servicer will attempt to settle the market side trade. Upon successful settlement, the CSD/Custodian will send a settlement confirmation to the account servicer.

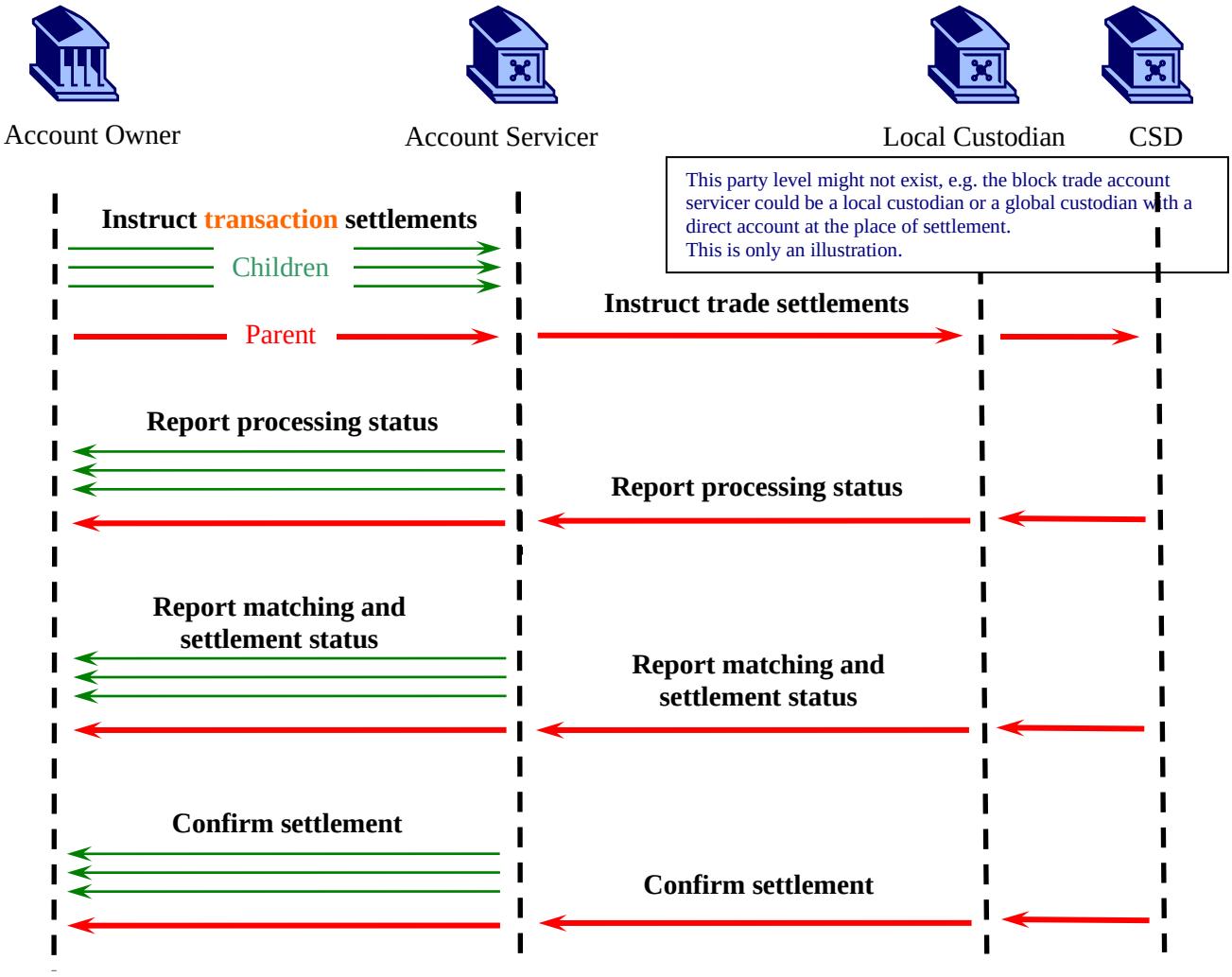
Notes

1. The above activity descriptions focus on the success flows; negative flows such as matching/settlement failures are not detailed. The related message flows between the account servicer and account owner must be implemented at both parent and child instruction level. These flows will in all other respects be as per standard book transfer message flows with the exception that the account owner will need to reflect status advice received from the CSD/Custodian on the market side instruction to underlying block trade instructions (parent and child) v-a-v the account owner. For example, upon receipt of settlement failure advice from the CSD/Custodian on the market side instruction, the account servicer must relay that to the account owner on each of the related parent and child instructions.

The complexity of partial settlement is also not detailed in the above diagram. In the case that partial settlement is considered for the market trade then the Account Owner and Account service should discuss how to apply this to the children trade. This would depend upon many factors including the underlying reason for the need for partial settlement. Solutions may involve partial settling each child trade pro-rata or replacing the Block trade set with 2 new sets in different shapes.

IV. Sequence Diagrams:

In green, the communications at child level instructions.
In red, the communications at parent level instructions.



For the reporting of processing, matching and settlement status, please see the "SMPG_MP_SR_Status_Advice" Market Practice on www.smpg.info.

V. Business data requirements:

For the above-described different communication needs, the following business data are required. Focus is on the processes described in the MP.

A. Instruct settlement:

Business elements	Additional information
Message reference	Unique message reference
Total of Linked Settlement Instructions	Total number of instructions in this linked group of settlement instructions relating to the block trade .
Current Settlement Instruction Number	Numeric instruction number within the linked group.
Pool Reference	Collective reference to identify a set of messages.

Trade Date	ISO 8601 Date/Time
Settlement Date	ISO 8601 Date/Time
Quantity of Financial Instrument	Expressed as units
Financial Instrument	ISO 6166 International Securities Identification Number [ISIN]
Settlement Amount	Currency and amount
Safekeeping Account to be credited or debited	
Type of Settlement Transaction indicator	Specifies underlying information regarding the type of settlement transaction. Will be set to indicate 'Settlement Trade'.
Block Trade Indicator	Specifies whether the settlement instruction is a block parent or child.
Place of Settlement	ISO 9362 Bank Identifier Codes [BIC] taken from the list of Depository BIC's published on www.smpg.info. See also Receiving Delivering Depository – PSET and PSAF, Market Practice.
Receiving/Delivering Agent	ISO 9362 Bank Identifier Codes [BIC] or CSD Local Code
Client of Receiving/Delivering Agent	ISO 9362 Bank Identifier Codes [BIC]

VI. Market Practice Rules:

The SMPG has defined several rules for the instruction of block trades using the ISO 15022 and ISO 20022 standards.

1. Instruction process

- Messages should be sent for the **parent and for each children** (ex: 1 parent with 5 children will trigger the sending of 6 messages).

  Note: if the trade is a buy, the instructing party will send 6 receipt messages (1 parent + 5 children). The re-allocation of the received securities in the children accounts (following the settlement of the parent receive instruction) is done by the account servicer based on the children receipt instructions. The account owner must NOT send any delivery messages to re-allocate those securities.

  This is also valid when the trade is a sell. NO receive instructions should be sent.
- The parent transaction is to be identified using:
  - the indicator field :22F:: of sequence E with qualifier **BLOC** and code BLPA (ISO 15022)
  - the <BlckTrad> component under Settlement Parameters section using code BLPA (ISO 20022)
- The children transactions are to be identified using:
  - the indicator field :22F:: of sequence E with qualifier **BLOC** and code BLCH (ISO 15022)
  - <BlckTrad> component under Settlement Parameters section using code BLCH (ISO 20022)
- The parent and children messages are to be linked using a unique pool reference in
  - field :20C::POOL// of the linkage sub-sequence A1 (ISO 15022)
  - the <PoolId> component of the linkages sub-sequence (ISO 20022)
- The total number of children is to be provided using number count:
  - field :99B::TOSE//3!n in sequence A when there are 999 or less child trades (with :99B::SETT//3!n identifying the instruction number - this is mandatory when :99B::TOSE//3!n is used)

    or

field :99C::TOSE//6!n in sequence A when more than 1,000 or more child trades are part of the block (with :99C::SETT//6!n identifying the instruction number - this is mandatory when :99C::TOSE//6!n is used) (ISO 15022)

- the <TtlNb> component within the Number Counts sequence (with <CurInstrNb> identifying the instruction number - this is mandatory when <TtlNb> is used) (ISO 20022)

2. Status process

- Status messages will be released for each instruction messages (parent and children).

3. Confirmation process

- All the instruction messages will be confirmed (1 parent + all children)
- For partial confirmation, will apply :
  - Pro Rata (ex: if 1/3 of parent is settled, than 1/3 of each children is confirmed)
  - SLA agreement

4. Cancellation process:

- Every message sent needs to be cancelled (parent and all children).
- The linkage sequence will contain a PREV (ISO 15022) or <SctiesSttlmTxId> (ISO 20022) reference carrying the SEME (Sequence A field 20C in ISO 15022) or <TxId> (ISO 20022) reference of the original message to be cancelled.
- A second linkage sequence with the original POOL (ISO 15022) or <PoolId> (ISO 20022) reference may also be used.

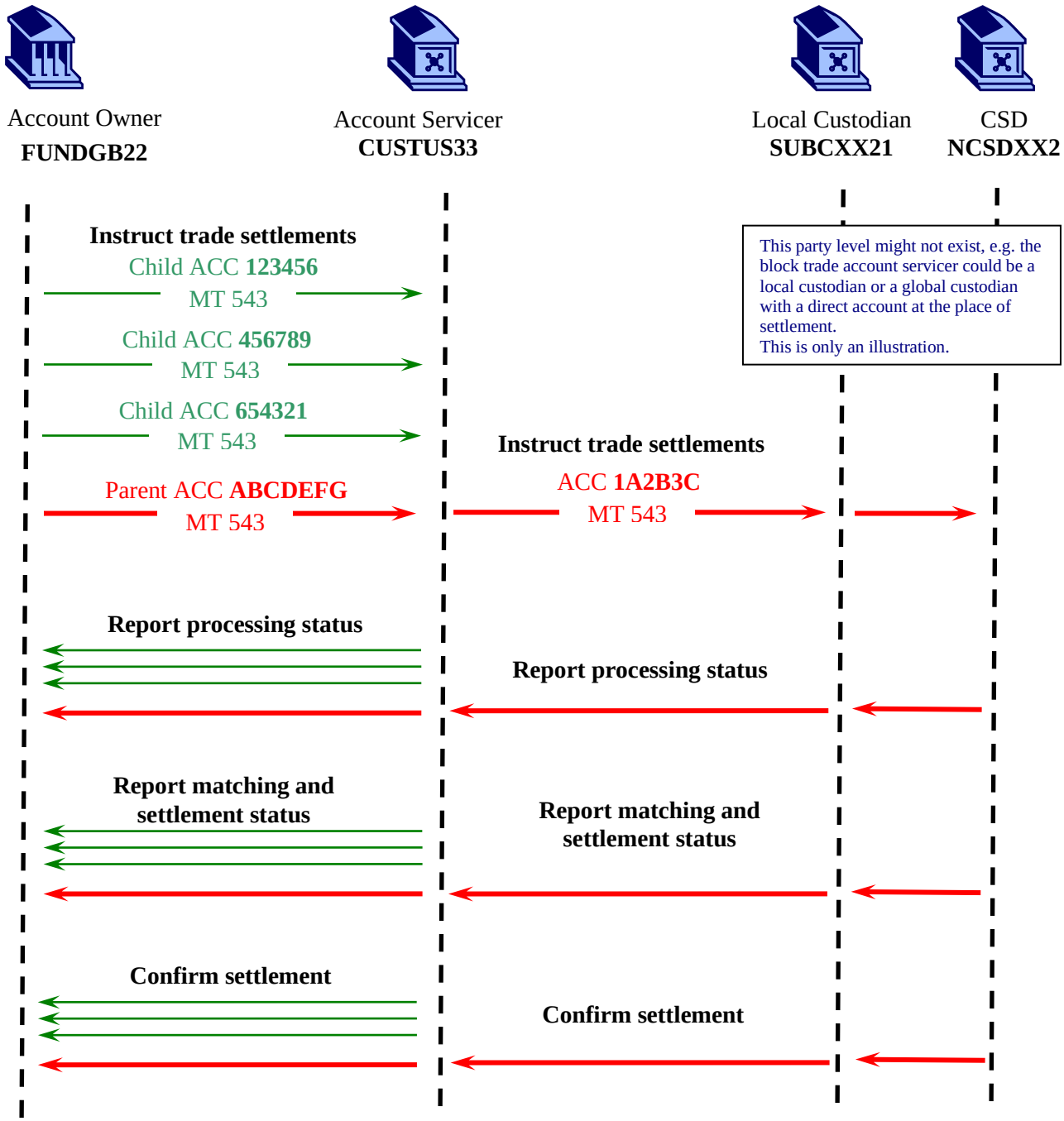
5. Cancellation/Amendment process:

- As for any other settlement instructions, an amendment must always be done by, first canceling the instruction and sending a new message.
- If the correction concerns a business element that does not have an impact on the other children or the parent (for instance, amendment of one of the children client account to be credited or debited), a cancellation for that specific children (with PREV or <SctiesSttlmTxId> in the linkage; see above) must be sent. The amended new message will carry a linkage sequence with a POOL/<PoolId> reference in order to link the new message to the rest of the block trade).
- If the correction concerns a business element that impacts the other children or the parent (change of amount of securities, for instance), the whole block needs to be canceled and replaced.

VII. ISO 15022 illustration:

The scenarios will only describe the delivery side of the transaction for simplicity purposes. The market practice also applies for receive block trades.

A. Scenario 1 :



The receiving counterparty is broker BROKGB22 serviced by clearing agent CLEAXX21. Clearing agent CLEAXX21 receive the securities at PSET NCSDXX21

a. from the account owner to its block trade account servicer

FUNDGB22's MT 543 MESSAGES to CUSTUS33			
Parent MT 543	Children 1 MT 543	Children 2 MT 543	Children 3 MT 543
:16R:GENL	:16R:GENL	:16R:GENL	:16R:GENL
:20C::SEME//PAR152456	:20C::SEME//CHILD1	:20C::SEME//CHILD2	:20C::SEME//CHILD3
:23G:NEWM	:23G:NEWM	:23G:NEWM	:23G:NEWM
:99B::TOSE//003	**:99B::TOSE//003**	**:99B::TOSE//003**	**:99B::TOSE//003**
:99B::SETT//000[1]	**:99B::SETT//001**	**:99B::SETT/002**	**:99B::SETT//003**
:16R:LINK	:16R:LINK	:16R:LINK	:16R:LINK
:20C::POOL//BLOCK123	**:20C::POOL//BLOCK123**	**:20C::POOL//BLOCK123**	**:20C::POOL//BLOCK123**
:16S:LINK	:16S:LINK	:16S:LINK	:16S:LINK
:16S:GENL	:16S:GENL	:16S:GENL	:16S:GENL
:16R:TRADDET	:16R:TRADDET	:16R:TRADDET	:16R:TRADDET
:98A::TRAD//20010305	:98A::TRAD//20010305	:98A::TRAD//20010305	:98A::TRAD//20010305
:98A::SETT//20010308	:98A::SETT//20010308	:98A::SETT//20010308	:98A::SETT//20010308
:35B:ISIN XX1234567890	:35B:ISIN XX1234567890	:35B:ISIN XX1234567890	:35B:ISIN XX1234567890
:16S:TRADDET	:16S:TRADDET	:16S:TRADDET	:16S:TRADDET
:16R:FIAC	:16R:FIAC	:16R:FIAC	:16R:FIAC
:36B::SETT//UNIT/3000,	:36B::SETT//UNIT/500,	:36B::SETT//UNIT/1500,	:36B::SETT//UNIT/1000,
:97A::SAFE//ABCDEFG[2]	:97A::SAFE//123456	:97A::SAFE//456789	:97A::SAFE//654321
:16S:FIAC	:16S:FIAC	:16S:FIAC	:16S:FIAC
:16R:SETDET	:16R:SETDET	:16R:SETDET	:16R:SETDET
:22F::SETR//TRAD	**:22F::SETR//TRAD**	**:22F::SETR//TRAD**	**:22F::SETR//TRAD**
:22F::BLOC//BLPA	**:22F::BLOC//BLCH**	**:22F::BLOC//BLCH**	**:22F::BLOC//BLCH**
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::BUYR//BROKGB22	:95P::BUYR//BROKGB22	:95P::BUYR//BROKGB22	:95P::BUYR//BROKGB22
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::REAG//CLEAXX21	:95P::REAG//CLEAXX21	:95P::REAG//CLEAXX21	:95P::REAG//CLEAXX21
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY	:16R:SETPRTY
:95P::PSET//NCSDXX21	:95P::PSET//NCSDXX21	:95P::PSET//NCSDXX21	:95P::PSET//NCSDXX21
:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY	:16S:SETPRTY
:16R:AMT	:16R:AMT	:16R:AMT	:16R:AMT
:19A::SETT//CCY33000,	:19A::SETT//CCY5500,	:19A::SETT//CCY16500,	:19A::SETT//CCY11000,
:16S:AMT	:16S:AMT	:16S:AMT	:16S:AMT
:16S:SETDET	:16S:SETDET	:16S:SETDET	:16S:SETDET

NOTE: The account owner should NOT send any receive instruction in this scenario.

For illustrative purposes, format option :99B: has been used for the SETT and TOSE fields. If there are 1,000 or more child transactions (total settlement instructions), :99C: should be used instead. 99B and 99C cannot be used alongside each other. For example, if there are 1,001 total settlement instructions (:99C::TOSE//001001), the first settlement instruction must be reflected as :99C::SETT//000001 and not :99B::SETT//001.

[1] The parent instruction is settlement instruction number "000" (or "000000" where there are 1,000 or more child transactions and :99C: is used)

[2] The account to be used in the parent instruction's safekeeping account field of sequence B will depend on the account structure of the account servicer. It will generally be a dummy account.

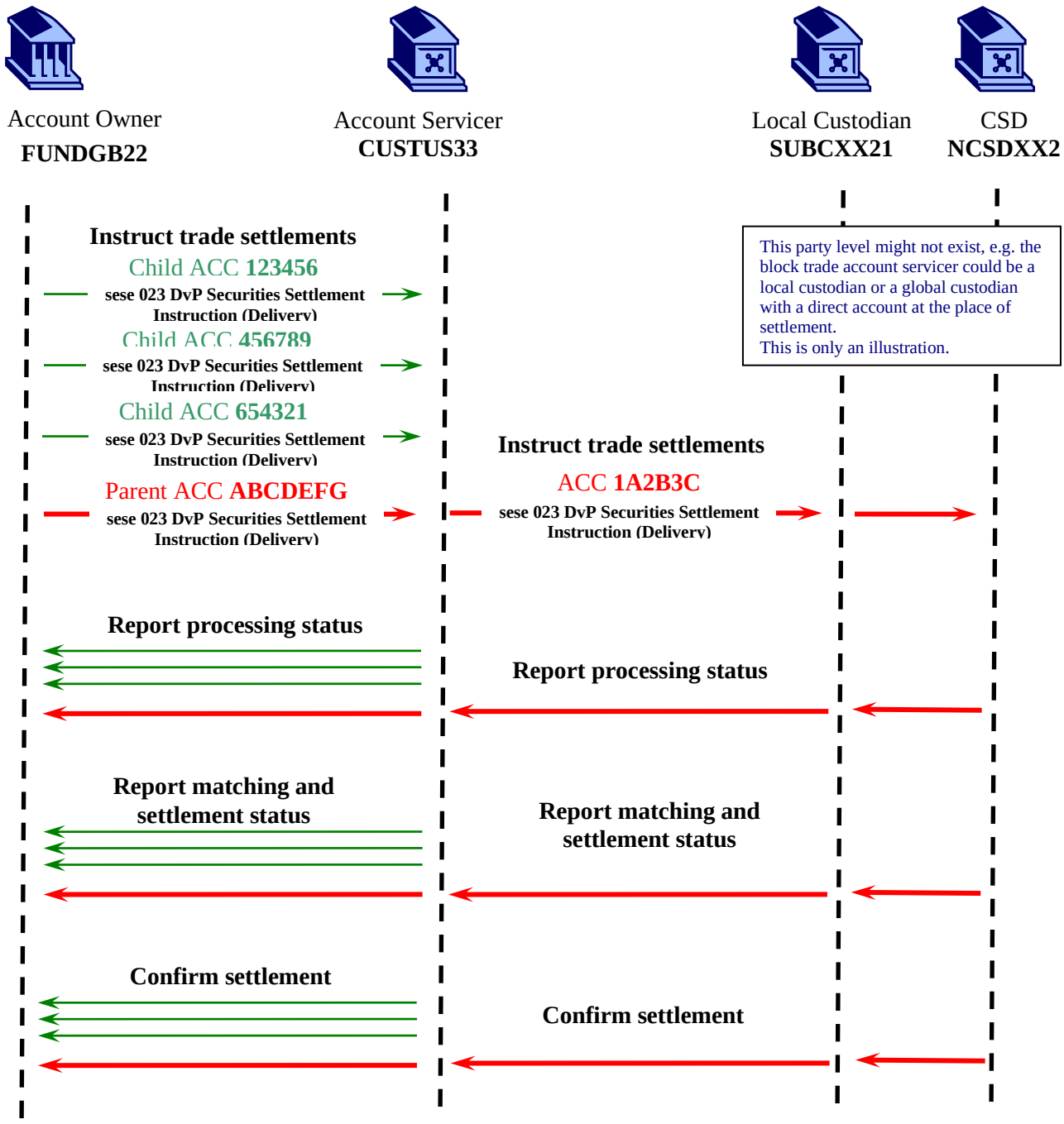
b. from the block trade account servicer to its local custodian.

CUSTUS33's MT 543 MESSAGE to SUBCXX21
MT 543
:16R:GENL
:20C::SEME//TRADE123456789
:23G:NEWM
:16S:GENL
:16R:TRADDET
:98A::TRAD//20010305
:98A::SETT//20010308
:35B:ISIN XX1234567890
:16S:TRADDET
:16R:FIAC
:36B::SETT//UNIT/3000,
:97A::SAFE//1A2B3C
:16S:FIAC
:16R:SETDET
:22F::SETR//TRAD
:16R:SETPRTY
:95P::BUYR//BROKGB22
:16S:SETPRTY
:16R:SETPRTY
:95P::REAG//CLEAXX21
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//NCSDXX21
:16S:SETPRTY
:16R:AMT
:19A::SETT//CCY33000,
:16S:AMT
:16S:SETDET

VIII. ISO 20022 Illustrations :

The scenarios will only describe the delivery side of the transaction for simplicity purposes. The market practice also applies for receive block trades.

A. Scenario 1 :



The receiving counterparty is broker BROKGB22 serviced by clearing agent CLEAXX21. Clearing agent CLEAXX21 receive the securities at PSET NCSDXX21

a. from the account owner to its block trade account servicer

FUNDGB22's Settlement Instruction to CUSTUS33

Parent Instruction (sese.023)

```
<SctiesSttlmTxInstr>
  <TxId>PARENT152456</TxId>
  <SttlmTpAndAddtlPa>
    <SctiesMvmntTp>DELI</SctiesMvmntTp>
    <Pmt>APMT</Pmt>
  </SttlmTpAndAddtlPa>
  <NbCounts>
    <CurInstrNb>000</CurInstrNb>
    <TtlNb>003</TtlNb>
  </NbCounts>
  <Lnkgs>
    <PoolId>BLOCK123</PoolId>
  </Lnkgs>
  <TradDtls>
    <TradDt>20010305</TradDt>
    <SttlmDt>20010308</SttlmDt>
  </TradDtls>
  <FinInstrmId>
    <ISIN>XX1234567890</ISIN>
  <FinInstrmAttrbts>
  </FinInstrmId>
  <QtyAndAcctDtls>
    <SttlmQty>
      <Qty>
        <Unit>3000</Unit>
      </Qty>
    </SttlmQty>
    <SfkpgAcct>
        <Id>ABCDEFG</Id>
    </SfkpgAcct>
  </QtyAndAcctDtls>
  <SttlmParams>
    <SctiesTxTp>TRAD</SctiesTxTp>
    <BlckTrad>BLPA</BlckTrad>
  </SttlmParams>
  <RcvgSttlmPties>
    <Dpstry>
      <Id>
        <AnyBIC>NCSDXX21</AnyBIC>
      </Id>
    </Dpstry>
    <Pty1>
      <Id>
        <AnyBIC>CLEAXX21</AnyBIC>
      </Id>
    </Pty1>
    <Pty2>
```

Child Instruction 1 (sese.023)

```
<SctiesSttlmTxInstr>
  <TxId>CHILD1</TxId>
  <SttlmTpAndAddtlPa>
    <SctiesMvmntTp>DELI</SctiesMvmntTp>
    <Pmt>APMT</Pmt>
  </SttlmTpAndAddtlPa>
  <NbCounts>
    <CurInstrNb>001</CurInstrNb>
    <TtlNb>003</TtlNb>
  </NbCounts>
  <Lnkgs>
    <PoolId>BLOCK123</PoolId>
  </Lnkgs>
  <TradDtls>
    <TradDt>20010305</TradDt>
    <SttlmDt>20010308</SttlmDt>
  </TradDtls>
  <FinInstrmId>
    <ISIN>XX1234567890</ISIN>
  <FinInstrmAttrbts>
  </FinInstrmId>
  <QtyAndAcctDtls>
    <SttlmQty>
      <Qty>
        <Unit>500</Unit>
      </Qty>
    </SttlmQty>
    <SfkpgAcct>
        <Id>123456</Id>
    </SfkpgAcct>
  </QtyAndAcctDtls>
  <SttlmParams>
    <SctiesTxTp>TRAD</SctiesTxTp>
    <BlckTrad>BLCH</BlckTrad>
  </SttlmParams>
  <RcvgSttlmPties>
    <Dpstry>
      <Id>
        <AnyBIC>NCSDXX21</AnyBIC>
      </Id>
    </Dpstry>
    <Pty1>
      <Id>
        <AnyBIC>CLEAXX21</AnyBIC>
      </Id>
    </Pty1>
    <Pty2>
```

```
            <Id>
                <AnyBIC>BROKGB22</AnyBIC>
            </Id>
        <Pty2>
    </RcvgSttlmPties>
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        <CdtDbtInd>CRDT</CdtDbtInd>
    </SttlmAmt>
</SctiesSttlmTxInstr>
```

```
            <Id>
                <AnyBIC>BROKGB22</AnyBIC>
            </Id>
        <Pty2>
    </RcvgSttlmPties>
    <SttlmAmt>
        <Amt>CCY5500</Amt>
        <CdtDbtInd>CRDT</CdtDbtInd>
    </SttlmAmt>
</SctiesSttlmTxInstr>
```

FUNDGB22's Settlement Instruction to CUSTUS33

Child Instruction 2 (sese.023)

```
<SctiesSttlmTxInstr>
    <TxId>CHILD2</TxId>
    <SttlmTpAndAddtlPa>
        <SctiesMvmntTp>DELI</SctiesMvmntTp>
        <Pmt>APMT</Pmt>
    </SttlmTpAndAddtlPa>
    <NbCounts>
        <CurInstrNb>002</CurInstrNb>
        <TtlNb>003</TtlNb>
    </NbCounts>
    <Lnkgs>
        <PoolId>BLOCK123</PoolId>
    </Lnkgs>
    <TradDtls>
        <TradDt>20010305</TradDt>
        <SttlmDt>20010308</SttlmDt>
    </TradDtls>
    <FinInstrmId>
        <ISIN>XX1234567890</ISIN>
    <FinInstrmAttrbts>
    </FinInstrmId>
    <QtyAndAcctDtls>
        <SttlmQty>
            <Qty>
                <Unit>1500</Unit>
            </Qty>
        </SttlmQty>
        <SfkpgAcct>
                <Id>456789</Id>
        </SfkpgAcct>
    </QtyAndAcctDtls>
    <SttlmParams>
        <SctiesTxTp>TRAD</SctiesTxTp>
        <BlckTrad>BLCH</BlckTrad>
    </SttlmParams>
    <RcvgSttlmPties>
        <Dpstry>
```

Child Instruction 3 (sese.023)

```
<SctiesSttlmTxInstr>
    <TxId>CHILD3</TxId>
    <SttlmTpAndAddtlPa>
        <SctiesMvmntTp>DELI</SctiesMvmntTp>
        <Pmt>APMT</Pmt>
    </SttlmTpAndAddtlPa>
    <NbCounts>
        <CurInstrNb>003</CurInstrNb>
        <TtlNb>003</TtlNb>
    </NbCounts>
    <Lnkgs>
        <PoolId>BLOCK123</PoolId>
    </Lnkgs>
    <TradDtls>
        <TradDt>20010305</TradDt>
        <SttlmDt>20010308</SttlmDt>
    </TradDtls>
    <FinInstrmId>
        <ISIN>XX1234567890</ISIN>
    <FinInstrmAttrbts>
    </FinInstrmId>
    <QtyAndAcctDtls>
        <SttlmQty>
            <Qty>
                <Unit>1000</Unit>
            </Qty>
        </SttlmQty>
        <SfkpgAcct>
                <Id>654321</Id>
        </SfkpgAcct>
    </QtyAndAcctDtls>
    <SttlmParams>
        <SctiesTxTp>TRAD</SctiesTxTp>
        <BlckTrad>BLCH</BlckTrad>
    </SttlmParams>
    <RcvgSttlmPties>
        <Dpstry>
```

```
            <Id>
                <AnyBIC>NCSDXX21</AnyBIC>
            </Id>
        </Dpstry>
        <Pty1>
            <Id>
                <AnyBIC>CLEAXX21</AnyBIC>
            </Id>
        </Pty1>
        <Pty2>
            <Id>
                <AnyBIC>BROKGB22</AnyBIC>
            </Id>
        <Pty2>
    </RcvgSttlmPties>
    <SttlmAmt>
        <Amt>CCY16500</Amt>
        <CdtDbtInd>CRDT</CdtDbtInd>
    </SttlmAmt>
</SctiesSttlmTxInstr>
```

```
            <Id>
                <AnyBIC>NCSDXX21</AnyBIC>
            </Id>
        </Dpstry>
        <Pty1>
            <Id>
                <AnyBIC>CLEAXX21</AnyBIC>
            </Id>
        </Pty1>
        <Pty2>
            <Id>
                <AnyBIC>BROKGB22</AnyBIC>
            </Id>
        <Pty2>
    </RcvgSttlmPties>
    <SttlmAmt>
        <Amt>CCY11000</Amt>
        <CdtDbtInd>CRDT</CdtDbtInd>
    </SttlmAmt>
</SctiesSttlmTxInstr>
```

NOTE: The account owner should NOT send any receive instruction in this scenario.

For illustrative purposes, three digits have been used for the <CurInstrNb>and <TtlNb> components. In ISO 20022, there are no minimum or maximum number length restrictions in these components. However, SMPG recommends that the number of digits used co-exists with ISO 20022. For example, if there are 999 or less child transactions (total settlement instructions), 3 digits should always be used for the <CurInstrNb>and <TtlNb> components and the <CurInstrNb> should always contain 3 digits. If there are 1,000 or more total settlement instructions, 6 digits should always be used.

b. from the block trade account servicer to its local custodian.

CUSTUS33's Settlement Instruction to SUBCXX21

Instruction (sese.023)

```
<SctiesSttlmTxInstr>
    <TxId>TRADE123456789</TxId>
    <SttlmTpAndAddtlPa>
        <SctiesMvmntTp>DELI</SctiesMvmntTp>
        <Pmt>APMT</Pmt>
    </SttlmTpAndAddtlPa>
    <TradDtls>
        <TradDt>20010305</TradDt>
        <SttlmDt>20010308</SttlmDt>
    </TradDtls>
    <FinInstrmId>
        <ISIN>XX1234567890</ISIN>
    <FinInstrmAttrbts>
    </FinInstrmId>
    <QtyAndAcctDtls>
        <SttlmQty>
            <Qty>
                <Unit>3000</Unit>
            </Qty>
        </SttlmQty>
        <SfkpgAcct>
                <Id>1A2B3C</Id>
        </SfkpgAcct>
    </QtyAndAcctDtls>
    <SttlmParams>
        <SctiesTxTp>TRAD</SctiesTxTp>
    </SttlmParams>
    <RcvgSttlmPties>
        <Dpstry>
            <Id>
                <AnyBIC>NCSDXX21</AnyBIC>
            </Id>
        </Dpstry>
        <Pty1>
            <Id>
                <AnyBIC>CLEAXX21</AnyBIC>
            </Id>
        </Pty1>
        <Pty2>
            <Id>
                <AnyBIC>BROKGB22</AnyBIC>
            </Id>
        <Pty2>
    </RcvgSttlmPties>
    <SttlmAmt>
        <Amt>CCY33000</Amt>
        <CdtDbtInd>CRDT</CdtDbtInd>
```

```
    </SttlmAmt>
</SctiesSttlmTxInstr>
```