



**ISO 15022: MT 535, [Statement of Holdings](#)
ISO 20022: Securities Balance Custody
[\(semt.002\)](#)/Accounting Report [\(semt.003\)](#)
Market Practice**

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The Securities Market Practice Group is a group of experts that represents local markets or market infrastructures and who devote their time on a voluntary basis to define global and local market practices for the benefit of the securities industry. The time spent is sponsored by the market players. The market practice documentation and recommendations produced by this organization are intended to solve common problems across the securities industry, from which financial institutions can derive clear benefits, to harmonize business processes and to facilitate the usage of message protocols ISO 15022 and ISO 20022. While the Securities Market Practice Group encourages the implementation of the market practices it develops it is up to the financial institutions within each market to implement the market practices according to their needs and agreements with their business counterparts to support their businesses as efficiently as possible. For more information on the MP release cycle please refer to the SMPG by-laws document section 4 on www.smpg.info.

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Changes to previous versions			
v5.0 January 2006	SR 2006	Statement frequency, complete/updates, statement basis indicator mandatory.	Page 11 and 59
	SR 2006	New sub-balances information.	Page 18, 19 and 23.
V5.1 April 2006	Usage Clarification	Addition of single and multiple place(s) of safekeeping scenarios.	Page 27 to 47
V5.2 October 2011	Reformatted	Rework of the whole MP based on the business process layout. ISO 20022 illustrations are also included	Whole document.

V5.3 December 2011	Updated with comments		
V5.4 2012	Sept	Addition of ISITC Appendix to cover Sec Lending & Borrowing Activity	Section VIII

I. Scope and definitions:

This document provides guidelines for the usage of MT 535/[semt.002](#) or [semt.003](#). The current situation is not satisfactory as many practices and usages co-exist leading to reconciliation and potentially settlement issues.

This document is the outcome of extensive discussions in 2003 and 2004. This version provides, per statement type and basis, detailed recommendations on how the MT 535 is to be used.

II. Background:

When the group discussed the issues linked to the MT 535, it became quickly obvious that there were several reasons to the existing problems:

- The misunderstanding of the statement types (custody versus accounting). Although the scope of the MT 535 explains the usage of those statements, users tend not to respect these guidelines. They will be further described to avoid misuses.
- The misunderstanding of the meaning and content of aggregate balance. Its content depends on the statement type but also on the statement basis. There is not a unique way to understand this business data, hence the need for clear definitions and clear fixed rules per statement type / basis.
- The available and unavailable balance type usage. This code is used in different contradictory ways due to the lack of usage rules in the standards and the absence of market practices.
- The mixing of sub-balances meanings; some sub-balance types qualify a position or a client's preference (whether it is blocked or not, collateral in or out, out for registration.) while others provides additional information on the financial instrument itself (unregistered, registered in nominee name, etc.).

This mixing of meanings leads to confusion on the use of available and unavailable codes, and on how/whether the sub-balances should be added up or not, included in the aggregate balance. This may lead to double counting of sub-balances quantities (see later in the document for more detailed explanations).

The group reached the conclusion that in order to solve these issues, there was a need to segregate the MT 535 based on the information that needs to be conveyed to the account owner. Three main levels of information were identified:

1. The total holding, i.e. the aggregate balance and what it means in view of the statement type and basis used in the MT 535.
2. The total (aggregate balance) availability or unavailability.
3. An optional sub-qualification and availability information on the reported instrument, without the necessity for those sub-balances to add-up.

Following the above principles, each statement type and basis has been considered individually and its usage described in the following chapters.

III. Actors and roles:

There are two roles involved in this process:

1. Instructing party
Party instructing to receive the statement of holdings
2. Executing/Servicing party
Party providing the statement of holdings

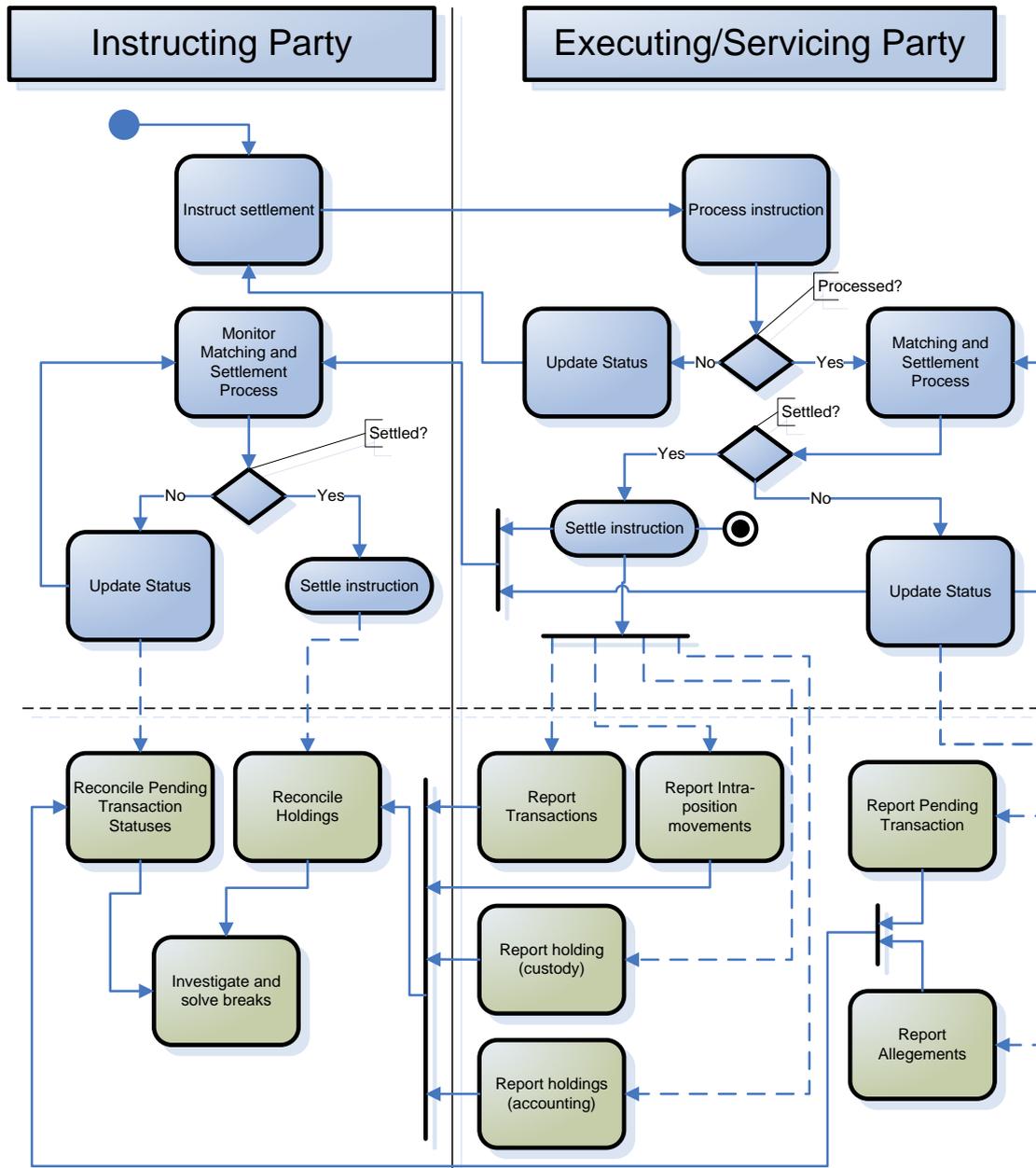
The actors that would typically play those roles are:

Instructing Party	Executing/Servicing Party
IM, Custodian , CSD etc...	IM, Custodian, CSD, Settlement Infrastructure

IV. Activity diagram:

For the usage of a Securities Balance Custody or Accounting Report, two activities can be described: a push mode activity and a pull mode activity.

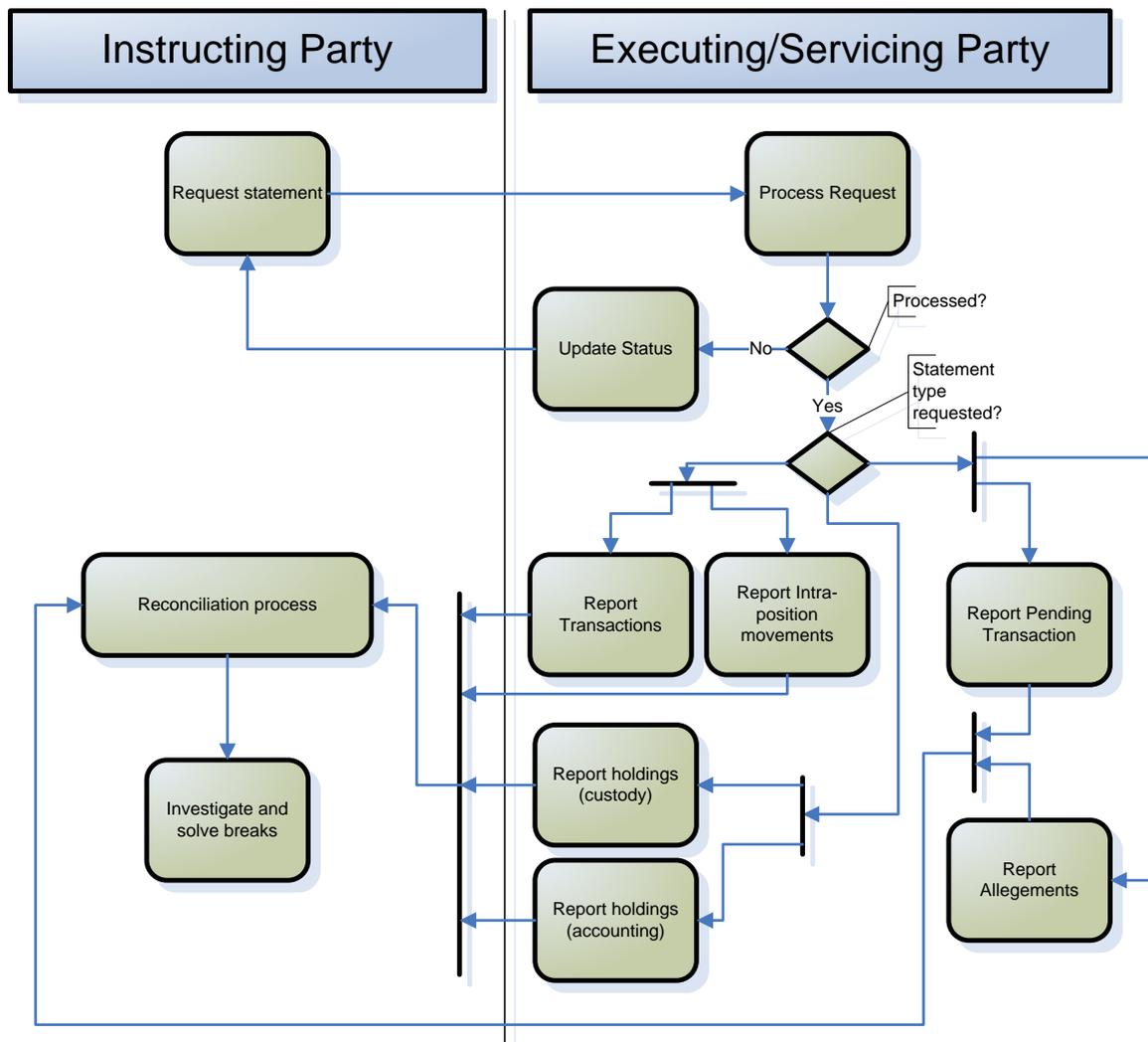
A. Push mode



Descriptions of the activities	
Instructing Party	Executing/Servicing Party
For the blue activities, see Instruction and confirmation process. The type of statement, its frequency, base, etc. is SLA based. Not all reporting is always provided.	
Reconciliation Process: Reconcile holdings (custody and accounting) and transactions based on the various statements received.	Report transactions: Build statement of transactions and provide it to the instructing party. Report intra-position movements: Build statement of intra-position movements and provide it to the

	<p>instructing party.</p> <p>Report holdings (custody): Build statement of holdings, custody version, and provide it to the instructing party.</p>
<p>Investigate and solve breaks: Investigate of the issues found during the reconciliation process. This may lead to other processes such as cancellation requests, new instructions, settlement process, etc.</p>	<p>Report holdings (accounting): Build statement of holdings, accounting version, and provide it to the instructing party.</p>
	<p>Report pending transactions: Build statement of pending transactions and provide it to the instructing party.</p>
	<p>Report allegations: Build statement of allegations and provide it to the instructing party.</p>

B. Pull mode



Descriptions of the activities	
Instructing Party	Executing/Servicing Party
<p>Request statement: Request statement to executing/reporting party.</p>	<p>Process request: Technical and business validation of the request before further</p>

	processing or not.
	Processed YES/NO: If YES, that is, the request is valid, go to the Statement requested choice . If NO, the update status activity is done.
	Statement type requested: Base on statement requested, go to the requested reporting activity.
For the rest of the activities, see push mode.	

V. Communication flow:

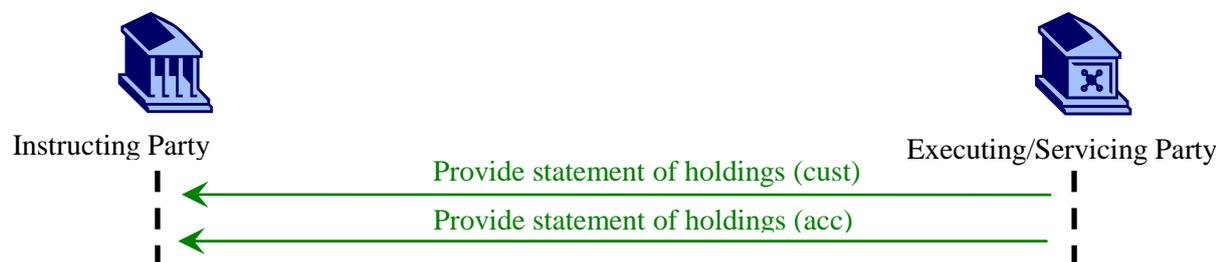
In **green**, the main communication requirements for this process.

In **black**, the surrounding communication requirements.

In dotted line, the optional/potential surrounding communication requirements.

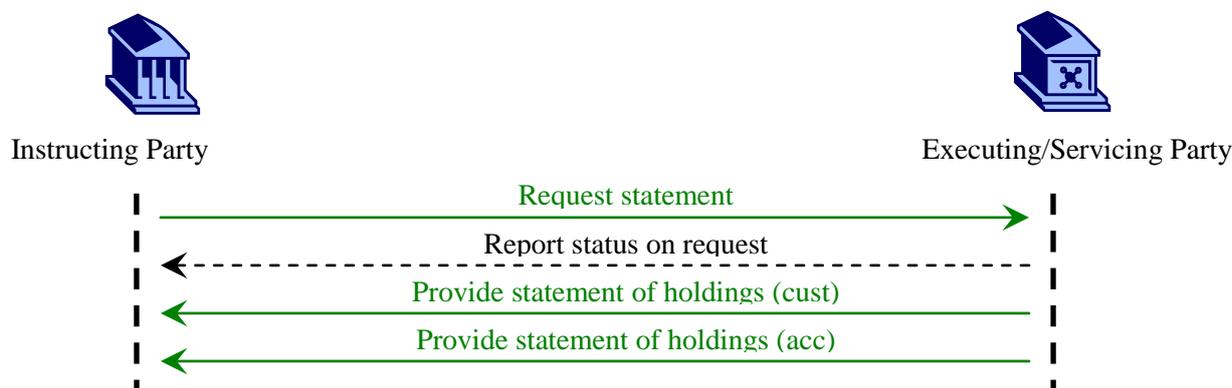
A. Push mode

This scenario illustrates the communication flow between the instructing party and the executing/servicing party in a push mode environment.



B. Pull mode

This scenario illustrates the communication flow between the instructing party and the executing/servicing party in a pull mode environment.



VI. Market practice rules: CUSTODY statement

A. Scope.

This message is sent by an account servicer (account servicing institution) to an account owner or its designated agent. This message is used to report, at a specified moment in time, the quantity and identification of financial instruments that the account servicer maintains for the account owner.

The main objective of this statement is to reconcile the books of the account owner and the account servicer for the specified safekeeping account or sub-safekeeping account. It may also report availability and/or the location(s) of financial instrument to facilitate trading and minimise settlement issues. The holdings may be valued or not.

The frequency of the statement must be bilaterally agreed between the account servicer and the account owner. [There are three statement basis of custody statement.](#)

Traded basis	Settled basis	Contractual basis
<ul style="list-style-type: none"> - Based on trade¹ date positions to the knowledge of the sender at the time of the statement preparation. - The main objective of this statement is facilitating trading by informing the front office on what they can trade. - It can also be used to provide additional info in terms of availability for trading, financial instrument specific information (tax-exempt, registered...) and position status (position blocked, pledged...). - As soon as a position is traded, it is considered delivered (is no longer part of the aggregate balance) or received (becomes part of the aggregate balance). - For more details on the handling of pending/failing receipts and deliveries, see chapter on the aggregate balance calculation on page 15. 	<ul style="list-style-type: none"> - <u>The most commonly used.</u> - The main objective of the statement is to reconcile positions and minimise settlement issues. - It can also be used to provide additional info in terms of availability for settlement of positions, financial instrument specific information (tax-exempt, registered...) and sub-balance status (position blocked, pledged...). - Based on effectively / actually settled positions to the knowledge of the sender at the time of the statement preparation. - Effectively / actually settled positions are all positions that have been credited in/debited from the safekeeping account, i.e. movements that have been reported in transactions posting report. - For more details on the handling of pending/failing receipts and deliveries, see chapter on the aggregate balance calculation on page 15. 	<ul style="list-style-type: none"> - Based on contractual settlement date positions to the knowledge of the sender at the time of the statement preparation. - The main objective of the statement is to reconcile positions and minimise settlement issues. - It can also be used to provide additional info in terms of availability for settlement of positions, financial instrument specific information (tax-exempt, registered...) and sub-balance status (position blocked, pledged...). - In addition to the settled positions, it also considers positions <u>contractually</u> settled. Contractually settled positions are pending positions that have reached their requested / contractual settlement date. - For more details on the handling of pending/failing receipts and deliveries, see chapter on the aggregate balance calculation on page 15.

¹ Trade date should be understood more broadly than just the date securities were purchased or sold. In a trade dated accounting statement, could also be accounted for securities that have been received or delivered outside the framework of a trade (e.g. an account transfer). In the example of an account transfer, the trade date is to be understood as the date when the transfer is instructed and processed.

B. Sequence Diagram

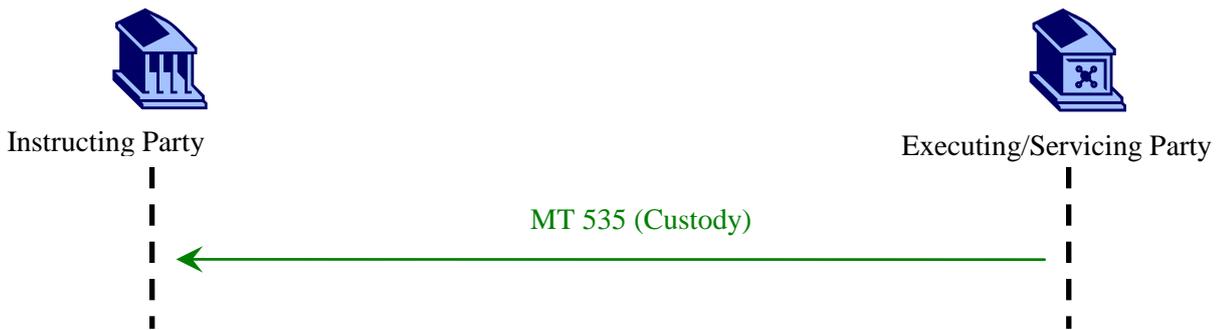
In green, the main communication requirements for this process.

In black, the surrounding communication requirements.

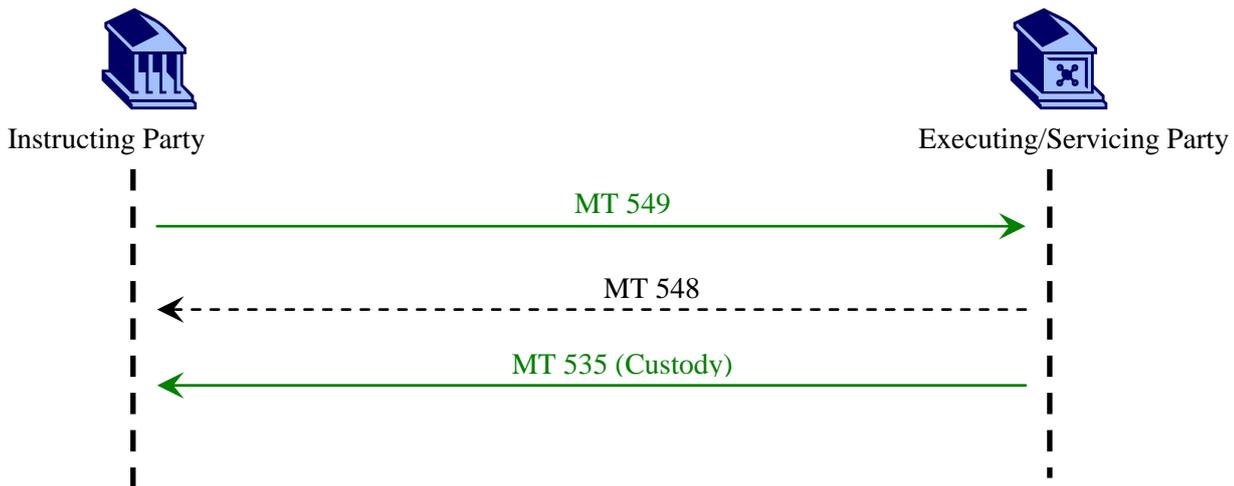
In dotted line, the optional/potential surrounding communication requirements.

ISO 15022

i. Push mode

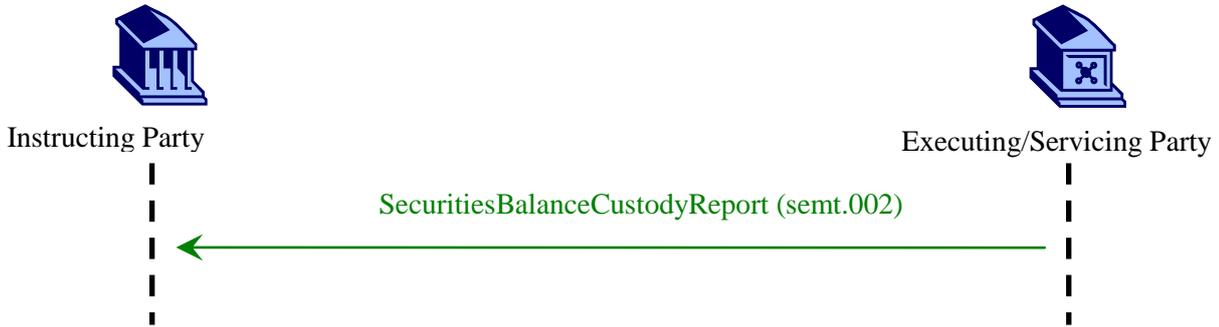


ii. Pull mode

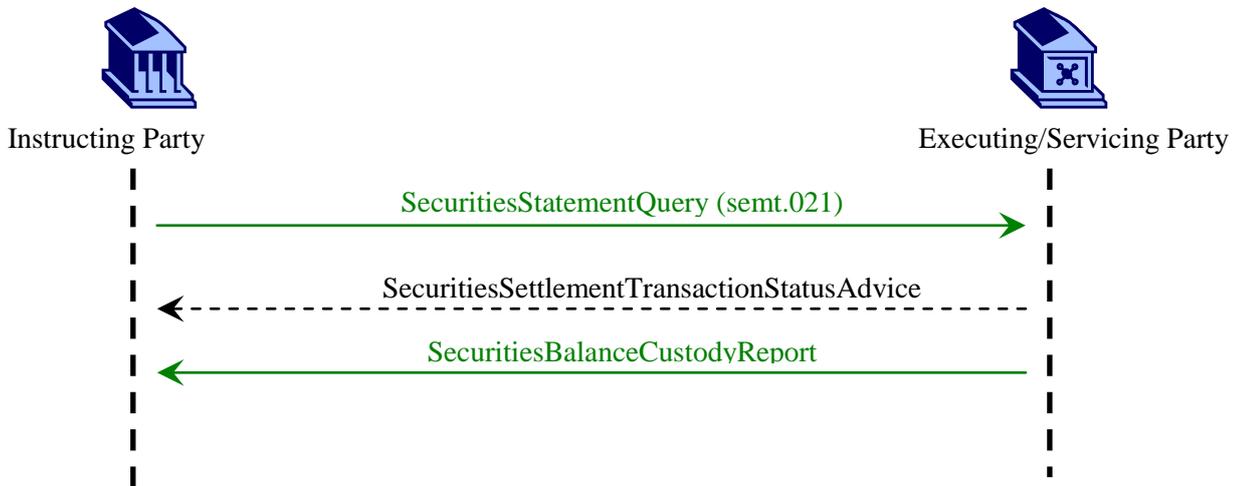


ISO 20022

i. Push mode



ii. Pull mode





C. Common mandatory business data requirements:

The SMPG recommends that all the below optional and mandatory fields be present in all Securities Balance Custody Report. M / C / O identifies whether the business data is mandatory, conditional or optional [in the ISO 15022 or ISO 20022 standards](#).

Common mandatory elements	Detailed usage	M/C/O
Page number/ Continuation indicator	<ul style="list-style-type: none"> ▪ Page number (5n) from 00001 to 99999 ▪ Continuation indicator (in ISO 15022) <ul style="list-style-type: none"> - ONLY if only one page. - MORE if more pages to come. - LAST if last page. ▪ Continuation indicator (in ISO 20022) <ul style="list-style-type: none"> - Yes/No Indicator. 	M
Sender’s reference	Must be a unique reference per message. In ISO 20022 it will be part of the Business Application Header	M
Function of the message (for ISO 15022 only)	<ul style="list-style-type: none"> ▪ NEWM for new statement. ▪ CANC to cancel a previously sent statement. If :23G:CANC is used, a linkage sequence A1 must be used to identify the reference² of the message to be cancelled (:20C::PREV//16x). 	M
Statement date and time	<ul style="list-style-type: none"> ▪ Recommended to be used with option C (Date and Time). ▪ Sender’s local time. 	M
Statement frequency indicator	It is mandatory to provide the statement frequency.	M
Complete/Updates report indicator	This indicator is mandatory. <ul style="list-style-type: none"> ▪ COMP is used for a complete statement, i.e. all positions including unchanged ones. ▪ DELT is used for a delta statement, i.e. any changes to the statement. 	M
Statement type		M
Statement basis	Identifies the statement basis. It is mandatory to always provide the statement basis to avoid ambiguity. <ul style="list-style-type: none"> ▪ TRAD: traded basis ▪ SETT: settled basis ▪ CONT: contractual basis 	M
Account	The account should be a real account (no narrative, no institution names).	M
Activity flag (sequence A)		M
Sub-Safekeeping Statement	Will depend on account servicer’s internal account structure.	M

² Hence the importance of the uniqueness of the SEME reference used in each message, i.e. each page of the Statement.



Common mandatory elements	Detailed usage	M/C/O
<i>Sub-Account</i>	<ul style="list-style-type: none"> ▪ <i>Mandatory if the sub-account statement flag is on Y.</i> ▪ <i>The account should be a real account (no narrative, no institution names).</i> 	<i>C</i>
<i>Activity flag (sequence B)</i>	<ul style="list-style-type: none"> ▪ <i>Mandatory if the sub-account statement flag is on Y.</i> ▪ <i>NOT allowed if the sub-account statement flag is on N</i> 	<i>C</i>
Identification of the financial inst.	ISIN is the preferred format.	M
Aggregate balance	The custody aggregate balance content depends on the statement basis: see following chapters for details.	M



D. Optional business data requirements:

The below optional fields may be provided in a custody statement but are optional. If used, they must be used as described in the “Detailed usage” column. It is to be noted that most of the usage rules are standards rules, not market practice recommendations.

Any other fields not mentioned above or below are considered NOT needed for this specific type of statement. If used, they will be handled through SLA.

Common optional elements	Detailed usage	M/C/O
Statement number (ISO 15022) Report Number (ISO 20022)	Extended/Long number Id (5 numeric) is only allowed for DELTA statements.	O
Preparation date and time	Will be part of the Business Application Header in ISO 20022.	O
<i>Number identification (in ISO 15022 only)</i>	<i>Would be used (optionally) when the MT 535 was sent following a MT 549 request. Would be used (optionally) when the function of the message is CANC.</i>	<i>O</i>
Reference (ISO 15022 only)	<ul style="list-style-type: none"> ▪ A linkage sequence MUST be present when the statement is an answer to a Request for Statement/Status advice MT 549. The reference of the MT 549 will be mentioned using the qualifier RELA. ▪ A linkage sequence MUST be present when the function of the message is CANC. The reference of the cancelled MT 535 will be mentioned using the qualifier PREV. 	C
Query Reference	<ul style="list-style-type: none"> ▪ The Query Reference MUST be present when the statement is an answer to a Securities Statement Request. The query reference will be mentioned using the QueryReference message element. (ISO 20022). 	
Place of safekeeping	<ul style="list-style-type: none"> • Place of safekeeping must be a BIC. A Country Code can be used when no BIC is available. • With the place of safekeeping field at Sequence B level (ISO 15022) or at the Balance For Account Level (ISO 20022), it is possible to report holdings per place of safekeeping. For more details on the usage of this field (see chapter VI.H.) 	
Price		O
Source of price	When Place Code is LMAR, the source of price must be a Market Identifier Code (MIC). The list of MIC is available on www.ISO15022.org	O
Price quotation date and time		O
Available balance	Total quantity of financial instruments <u>of the aggregate balance</u> that is available. Depending on the statement basis, this value may differ. See following chapters for more details.	O
Not Available balance	Total quantity of financial instruments <u>of the aggregate balance</u> that is NOT available. Depending on the statement basis, this value may differ. See following chapters for more details.	O
Balance	Optional detailed information about the instrument reported. For more details on usage, see following chapters. May also be used to provide multiple place of safekeeping reporting per instrument (see chapter VI.H.)	O
Available balance	Can only be used if multiple place of safekeeping reporting per instrument (see chapter VI.H.)	O
Not Available balance	Can only be used if multiple place of safekeeping reporting per instrument (see chapter VI.H.)	O



Common optional elements		Detailed usage	M/C/O
Place of safekeeping	Place of safekeeping must be a BIC. Option C (Country Code) can be used when no BIC is available.		O
Source of price	When Place Code is LMAR, the source of price must be a Market Identifier Code (MIC). The list of MIC is available on www.ISO15022.org		O
Price			O
Price quotation date and time			O
Number of days accrued			O
Accrued interest amount			O
Holding Value			O
Exchange rate			O
Number of days accrued			O
Accrued interest amount			O
Holding Value			O
Exchange rate			O



E. Aggregate balance usage:

1. Calculation

	Traded	Settled	Contractual
	<p>Total quantity of financial instruments that has been traded.</p> <p>Traded positions are considered credited or debited in/from the account as soon as they are processed by the account servicer.</p> <ul style="list-style-type: none"> • <u>Pending / failing deliveries</u> are subtracted from the aggregate balance as soon as they are processed. • <u>Pending / failing receipts</u> are added to the aggregate balance as soon as they are processed. • It also includes positions credited in the account but on which a specific process is being performed (out for registration, in transshipment). 	<p>Total quantity of financial instruments that is actually held in the safekeeping account,</p> <ul style="list-style-type: none"> • <u>Pending / failing deliveries</u> are not subtracted from the aggregate balance until they actually settle. • <u>Pending / failing receipts</u> are not added to the aggregate balance until they actually settle. • It also includes positions credited in the account but on which a specific process is being performed (out for registration, in transshipment). 	<p>Total quantity of financial instruments that is contractually held in the safekeeping account:</p> <ul style="list-style-type: none"> • <u>Pending deliveries</u> are not subtracted from the aggregate balance. • <u>Failing deliveries</u> are subtracted from the aggregate balance. • <u>Pending receives</u> are not added to the aggregate balance. • <u>Failing receives</u> are added to the aggregate balance. • It also includes positions credited in the account but on which a specific process is being performed (out for registration, in transshipment).
Aggregate Balance Calculation	<p>! When calculating the aggregate balance, account servicers should avoid the double counting of positions. Example: one same position of 1000 units of XX0123456789 could be reported at the same time in a BLOK sub-balance type and in a NOMI (registered) one. Despite the fact that there are two sub-balances of 1000 units reported, the Aggregate balance remains 1000, not 2000.</p>		
	<p><u>On Borrowed positions and negative balance (BORR):</u></p> <p>In a custody statement, Aggregate balance is never negative following a borrowing. Indeed, when you borrow securities, the borrowed securities are first credited to the safekeeping account before being delivered out. So when 1000 borrowed units are credited before being delivered, the result of $0 + 1000 - 1000 = 0$ and not N1000.</p> <p>The only cases where a custody balance could be negative would be in case of short selling. It would be allowed for players like hedge funds and in case of sold future contracts.</p>		
	<p><u>On loan positions (LOAN):</u></p> <p>There are many different market and service scenarios of lending. The impact that this process has on the calculation of the aggregate balance therefore differs. Account servicers should clearly describe in their SLA how on LOAN positions impact their aggregate balance calculation and reporting.</p>		
	<p><u>On collateral positions (COLO, COLI, PLED, MARG):</u></p> <p>There are many different market and service scenarios of financial instruments collateralisation. The impact that this process has on the calculation of the aggregate balance therefore differs. Account servicers should clearly describe in their SLA how collateral balances impact the aggregate balance calculation and reporting.</p> <ul style="list-style-type: none"> - COLI is the balance of securities that <u>belong to a third party</u> and that are held for the purpose of collateralization. - COLO is the balance of securities that <u>belong to the safekeeping account</u> indicated within this message, and are deposited with a third party for the purpose of collateralization. - MARG is the balance of securities that <u>belong to and is kept in the safekeeping account</u> indicated within this message, and that are used as collateral for derivatives. - PLED is the balance of securities that <u>belong to and is kept in the safekeeping account</u> indicated within this message, and that are pledged. 		



2. Availability

	Traded	Settled	Contractual
	<ul style="list-style-type: none"> • The availability or unavailability of the aggregate balance may be provided. It is not mandatory. • If provided, the total aggregate available and non-available positions of sequence B1 will be equal to the aggregate balance. • When calculating the total availability and non-availability, account servicers should avoid double counting of a same available or not available position reported in 2 sub-balance sequences. Beware of double counting ! 		
	<p>Definition: In a traded statement, the receiver is interested in knowing <u>what can be traded</u> (without any action required from their side). The availability is the availability <u>for trading</u>.</p>	<p>Definition: In a settled statement, the receiver is interested in knowing <u>what can be settled</u> (debited, credited without any action required from their side). The availability is the availability <u>for settlement</u>.</p>	<p>Definition: In a contractual statement. The availability is the availability <u>for contractual settlement</u>.</p>
<p>Aggregate Balance Availability.</p>	<p>Available: Total quantity of financial instruments <u>of the aggregate balance</u> that is <u>available for trading</u>. All available for trading positions will be accounted for when calculating the total available balance. Any additional specific status (tax-exempt, registered...) may be further reported in a sub-balance sequence.</p> <p>Not Available: Total quantity of financial instruments <u>of the aggregate balance</u> that is NOT <u>available for trading</u>. All unavailable for trading positions will be accounted for when calculating the total not available balance. Any additional status (ex: blocked...) may be further reported in a sub-balance sequence.</p>	<p>Available: Total quantity of financial instruments <u>of the aggregate balance</u> that is <u>available for settlement</u>. All actually available positions will be accounted for when calculating the total available balance. Any additional status (tax-exempt, registered...) may be further reported in a sub-balance sequence.</p> <p>Not Available: Total quantity of financial instruments <u>of the aggregate balance</u> that is NOT <u>available for settlement</u>. All actually unavailable positions will be accounted for when calculating the total not available balance. Any additional status (ex: blocked...) may be further reported in a sub-balance sequence.</p>	<p>Available: Total quantity of financial instruments <u>of the aggregate balance</u> that is <u>available for contractual settlement</u>. All <u>contractually</u> available positions will be accounted for when calculating the total available balance. Any additional status (tax-exempt, registered...) may be further reported in a sub-balance sequence.</p> <p>Not Available: Total quantity of financial instruments <u>of the aggregate balance</u> that is NOT <u>available for contractual settlement</u>. All <u>contractually</u> unavailable positions will be accounted for when calculating the total not available balance. Any additional status (ex: blocked...) may be further reported in a sub-balance sequence.</p>



F. Sub-balance usage:

1. Sub-balance types:

There are two types of sub-balances.

- Position sub-balances: qualify the position and may report its availability (whether it is blocked or not, collateral in or out...)
- “Instrument” sub-balances: provides additional information on all or parts of the reported financial instrument (unregistered, tax exempt, etc.).

Beware of double counting: due to this mixed meanings, quantities may be intermingled (i.e. reported more than once), hence the risk for double counting. Ex: A blocked position of 1000 units may also be reported as 400 tax-exempt (CLEN) and 600 taxable (DIRT). Account servicers should be careful when calculating the aggregate balance not to double count a same position.

In the table below, the sign  highlights the sub-balances where the risk of double counting is high.

2. Availability:

The use of the available code may be confusing for what we called “instrument” sub-balances. Ex: the fact an instrument is registered (NOMI) or not (SPOS, UNRG) does not trigger the fact it is available or not. The availability information may therefore be seen as not relevant in that case. During the SR 2005 process, format 93B has therefore been introduced for sub-balances to allow the reporting of such balances without the availability indicator.

When provided (it is optional), the availability of the sub-balances will follow the recommendations summarized in the table below (they may differ depending on the statement basis, so please check these recommendations for each statement basis).

3. Usage table:

Usage of sub-balances may differ based on SLA. In absence of SLA, the below usage rules are recommended.

ACTION: NMPGs are asked to publish in their document nationally agreed practices about the usage of sub-balances (including sub-balance availability codes). This will help the Global SMPG determine room for further harmonisation.

Beware of double counting 

Sub-Balance Type	Availability (OPTIONAL!)			Part of the Aggregate balance.		
	Traded	Settled	Contractual	Traded	Settled	Contractual
Unclassified (OTHR)	Available or Not Available			Y or N	Y or N	Y or N
Blocked (BLOK)	Not Available			Y	Y	Y
Borrowed (BORR)	Available when borrowed securities are not used. Not Available as soon as delivered.			Y when borrow instructed. N when borrowed securities used.	Y when credited. N when used.	Y when expected settlement date of the borrow is reached. N when covered delivery expected settlement date is reached.



Sub-Balance Type	Availability (OPTIONAL!)			Part of the Aggregate balance.		
	Traded	Settled	Contractual	Traded	Settled	Contractual
Tax exempt (CLEN)	If used, Available or Not Available, depending on other position sub-balance types.			Y !	Y !	Y !
Collateral In (COLI)	Not Available			Y	Y	Y
On loan (LOAN)	SLA: Available if can be traded. Not Available if cannot.	SLA: Available if can be actually settled Not Available if cannot be actually settled.	SLA: Available if can be contractually settled Not Available if cannot be contractually settled.	Local Practice or SLA	Local Practice or SLA	Local Practice or SLA
Collateral Out (COLO)	SLA: Available if can be traded. Not Available if cannot.	SLA: Available if can be actually settled Not Available if cannot be actually settled.	SLA: Available if can be contractually settled Not Available if cannot be contractually settled.	Local Practice or SLA	Local Practice or SLA	Local Practice or SLA
Taxable (DIRT)	If used, Available or Not Available, depending on other position sub-balance types.			Y !	Y !	Y !
Drawn (DRAW)	Available or Not Available depending on local practice			Y	Y	Y
Registered (NOMI)	If used, Available or Not Available, depending on other position sub-balance types.			Y !	Y !	Y !
Street Position (SPOS)	If used, Available or Not Available, depending on other position sub-balance types.			Y !	Y !	Y !
Pending Corporate Action Receipt (PECA)	Available as can be traded.	Not Available	Not Available before CA (credit) posting date Available after CA (credit) posting date	Y	N	N if before CA (credit) posting date if CA (credit) posting date is reached
Pending Corporate Action Delivery (PEDA)	Not Available as the financial instruments traded out	Not Available or Available depending on Market.	Not Available or Available before CA (debit) posting date depending on Market. Not Available after CA (debit) posting date	N	Y	Y if before CA (debit) posting date N if CA (debit) posting date is reached
Blocked Corporate Action (BLCA)	Not Available			Y	Y	Y



Sub-Balance Type	Availability (OPTIONAL!)			Part of the Aggregate balance.		
	Traded	Settled	Contractual	Traded	Settled	Contractual
Pending Delivery (PEND, PDMT, PDUM)	Not Available as the financial instruments traded out	Not Available or Available depending on Market.	Before CSD ³ , Not Available or Available depending on Market. Not Available after CSD	N	Y	Y if before expected settlement date N if expected settlement date is reached
Pending Receipt (PENR, PRMT, PRUM)	Available as can be traded.	Not Available	Not Available before CSD Available after CSD	Y	N	N if before expected settlement date Y if expected settlement date is reached
Derivatives Margin (MARG)	If used, Available or Not Available, depending on other position sub-balance types.			Y	Y	Y
Pledged (PLED)	If used, Available or Not Available, depending on other position sub-balance types.			Y	Y	Y
Out For Registration (REGO)	Available or Not Available depending on local practices			Y	Y	Y
In Transhipment (TRAN)	Available as normally can be traded.	Available or Not Available depending on local practices	Available or Not Available depending on local practices	Y	Y	Y
Restricted (RSTR)	Available or Not Available depending on local practices			Y	Y	Y
Foreign Ownership Limitation (UNRG)	If used, Available or Not Available, depending on other position sub-balance types.			Y	Y	Y
Available With No Additional Status (AWAS)	Available			Y	Y	Y

³ Contractual (requested/instructed) Settlement Date



G. Illustrations: These illustrations are elaborated with the connection between MT535 and MT536 in the MT536 MP

In grey: optional fields present for illustration purposes. (Should the same text be used in the scenario text?)

Scenarios	Next over-night traded Securities Balance Custody Report sent by account servicer	Next over-night settled Securities Balance Custody Report sent by account servicer	Next over-night contractual Securities Balance Custody Report sent by account servicer
Day 0: account owner has a holding of 500 units of ISIN XX1234567890.	ISIN XX1234567890 Aggregate Balance: 500 Units Available Balance: 500 Units,	ISIN XX1234567890 Aggregate Balance: 500 Units Available Balance: 500 Units ,	ISIN XX1234567890 Aggregate Balance: 500 Units Available Balance: 500 Units
Day 1: account owner instructs a receipt of 1000 units for contractual settlement date on Day 3.	Aggregate Balance: Units Available Balance: 1500 Units ⁴	Aggregate Balance: 500 Units Available Balance: 500 Units Pending Receipt Sub-balance: 1000 Units	Aggregate Balance: 500 Units Available Balance: 500 Units Pending Receipt: 1000 Units
Day 2: account servicer blocks 200 units. Those 200 units cannot be traded nor settled.	Aggregate Balance: 1500 Units Available Balance: 1300 Units Not Available Balance 200 units Blocked Not Available Balance: 200 Units	Aggregate Balance 500 Units Available Balance: 300 Units Not Available Balance: 200 Units Pending Receipt Sub-balance: 1000 Units Blocked Sub-balance Not Available: 200 Units	Aggregate Balance 500 Units Available Balance: 300 Units Not Available Balance: 200 Units Pending Receipt Sub-balance: 1000 Units Blocked Sub-balance Not Available: 200 Units
Day 3: pending receipt that was expected to settle fails.	Aggregate Balance: 1500 Units Available Balance: 1300 Units Not Available Balance: 200 Units Blocked Sub-balance: 200 Units	Aggregate Balance: 500 Units Available Balance: 300 Units, Not Available Balance: 200 Units Pending Receipt Sub-balance: 1000 Units Blocked Sub-balance Not Available: 200 Units	Aggregate Balance: 1500 Units, Available Balance: 300 Units Not Available Balance: 1200 Units Pending Receipt Sub-Balance: 1000 Units Blocked Sub-balance Not Available: 200 Units

⁴ Little reminder: in a traded statement, we are talking about availability for trading. The 1000 securities are not yet settled but they can be sold.



Scenarios	Next over-night traded Securities Balance Custody Report sent by account servicer	Next over-night settled Securities Balance Custody Report sent by account servicer	Next over-night contractual Securities Balance Custody Report sent by account servicer
Day 4: failing receipt effectively settles with 1 day delay.	Aggregate Balance: 1500 Units Available Balance: 1300 Units Not Available Balance: 200 Units Blocked Sub-balance: 200 Units	Aggregate Balance: 1500 Units Available Balance: 1300 Units Not Available Balance: 200 Units Blocked Sub-balance: 200 Units	Aggregate Balance: 1500 Units Available Balance: 1300 Units Not Available Balance: 200 Units Blocked Sub-balance: 200 Units
Day 5: account servicer unblock 200 units	Aggregate Balance: 1500 Units Available Balance: 1500 Units	Aggregate Balance: 1500 Units Available Balance: 1500 Units	Aggregate Balance: 1500 Units Available Balance: 1500 Units
Day 6: account owner instructs a delivery of 2000 units and a receipt for 800 units for settlement on day 8. In the market where this scenario takes place, pending financial instruments to be delivered are considered not available. ⁵	Aggregate Balance: 300 Units Available Balance: 300 Units	Aggregate Balance: 1500 Units Not Available Balance: 1500 Units Pending Receipt Sub-balance: 800 Units Pending Delivery: 2000 Units	Aggregate Balance: 1500 Units Not Available Balance: 1500 Units Pending Receipt Sub-balance: 800 Units Pending Delivery: 2000 Units
Day 7: no action	Aggregate Balance: 300 Units Available Balance: 300 Units	Aggregate Balance: 1500 Units Not Available Balance: 1500 Units Pending Receipt Sub-balance: 800 Units Pending Delivery: 2000 Units	Aggregate Balance: 1500 Units Not Available Balance: 1500 Units Pending Receipt Sub-balance: 800 Units Pending Delivery: 2000 Units
Day 8: receipt of 800 fails; automatic borrowing of the missing 500 units is initiated by account servicer. The 500 units are credited to the account same day allowing the delivery to settle on time.	Aggregate Balance: 300 Units Available Balance: 300 Units	Aggregate Balance 0 Units Pending Receipts: 800 Units Borrowed Sub-balance: 500 Units	Aggregate Balance 300 Units Not Available Balance: 300 Units Pending Receipts: 800 Units Borrowed Sub-balance: 500 Units

⁵ In some markets, securities Pending Delivery may be considered available.



Scenarios	Next over-night traded Securities Balance Custody Report sent by account servicer	Next over-night settled Securities Balance Custody Report sent by account servicer	Next over-night contractual Securities Balance Custody Report sent by account servicer
Day 9: receipt of 800 units settles and the 500 borrowed are delivered back to the lender same day.	Aggregate Balance: 300 Units Available Balance: 300 Units	Aggregate Balance: 300 Units Available Balance: 300 Units	Aggregate Balance: 300 Units Available Balance: 300 Units
Day 10: 600 units are credited in the account from a third party as collateral. The collateral cannot be used for any purposes.	Aggregate Balance: 900 Units Available Balance: 300 Units Not Available Balance: 600 Units Collateral In Sub-balance Not Available: 600 Units	Aggregate Balance: 900 Units Available Balance: 300 Units Not Available Balance: 600 Units Collateral In Sub-balance Not Available: 600 Units	Aggregate Balance: 900 Units Available Balance: 300 Units Not Available Balance: 600 Units Collateral In Sub-balance Not Available: 600 Units
Day 11: a credit of 12000 units hits the account (following the settlement of an account transfer on same day) and the 600 units of collateral are delivered back to the third party.	Aggregate Balance: 12300 Units Available Balance: 12300 Units	Aggregate Balance: 12300 Units Available Balance: 12300 Units	Aggregate Balance: 12300 Units Available Balance: 12300 Units



Scenarios	Next over-night traded Securities Balance Custody Report sent by account servicer	Next over-night settled Securities Balance Custody Report sent by account servicer	Next over-night contractual Securities Balance Custody Report sent by account servicer
<p>Day 12: <u>account owner</u> instructs a delivery free of 300 units as a loan to a third party. The delivery settles on same day. The <u>account owner</u> will have to recall the securities if he wants to deliver them.</p> <p><i>This is only one possible scenario of securities lending. The impact on availability and calculation of the aggregate balance may be different in other lending scenarios, e.g. auto-lending.</i></p>	<p>Aggregate Balance: 12000 Units Available Balance: 12000 Units</p>	<p>Aggregate Balance: 12000 Units Available Balance: 12000 Units On Loan Sub-balance: 300 Units</p>	<p>Aggregate Balance: 12000 Units Available Balance: 12000 Units On Loan Sub-balance: 300 Units</p>
<p>Day 13: <u>account owner</u> recalls the loaned units. These are credited back on same day.</p> <p>The account <u>servicer</u>, on the same day, delivers out for collateralisation 10000 units. No action is required from the account owner for substitution or recall.</p> <p><i>This is only one possible scenario of securities collateral operation. The impact on availability and calculation of the aggregate balance may be different in other collateralization scenarios.</i></p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance 12300 Units Collateral Out Sub-balance Available: 10000 Units Available with No Additional Status Sub-balance 2300 Units⁶</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Collateral Out Sub-balance Available: 10000 Units</p>
<p>Day 14: account <u>servicer</u> recalls 4000 units of the 10000 collateralised out and pledge them.</p> <p><i>Would be identical if it was a Derivatives Margin. In this scenario, pledged securities are considered available. There are other possible scenarios, practices where they would be considered not available.</i></p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance 12300 Units Collateral Out Sub-balance Available: 6000 Units Pledged Sub-balance Available: 4000 Units Available with No Additional Status Sub-balance: 2300 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance 12300 Units Collateral Out Sub-balance Available: 6000 Units Pledged Sub-balance Available: 4000 Units</p>

⁶ If it is agreed in an SLA that the account servicer should provide a full breakdown of positions (to be added up to the total available and not available balance), the available with no additional status balance (Balance of securities that are freely available with no specific additional status) may be provided in the sub-balance type Available With No Additional Status.



Scenarios	Next over-night traded Securities Balance Custody Report sent by account servicer	Next over-night settled Securities Balance Custody Report sent by account servicer	Next over-night contractual Securities Balance Custody Report sent by account servicer
<p>Day 15: account servicer expands its offering. In addition of the position sub-balance type, it will now also provide information on the financial instrument itself (registered, tax-exempt, etc.) 100 units of the 12300 the account owner are kept in the name of the prior beneficial owner (Street Position). <i>Would be identical if it was another instrument sub-balance (Non Tax Exempt, Tax Exempt,...).</i></p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Collateral Out Available: 6000 Units Pledged Sub-balance Available: 4000 Units Available With No Additional Status Sub-balance: 2300 Units Street Position Sub-balance: 100 Units the below could also be provided Registered Sub-balance: 12200 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Collateral Out Available: 6000 Units Pledged Sub-balance Available: 4000 Units Street Position Sub-balance: 100 Units the below could also be provided Registered Sub-balance: 12200 Units</p>
<p>Day 16: account servicer frees all collateral (Collateral Out and Pledged) and sends the 100 street position out for registration. Those out for registration shares can be traded and settled. (Other scenarios are possible, see below 16bis).</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Out For Registration Sub-balance Available: 100 Units Registered Sub-balance: 12200 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Out For Registration Sub-balance Available: 100 Units Registered Sub-balance: 12200 Units</p>
<p>Day 16bis: account servicer frees all collateral (Collateral Out and Pledged) and sends the 100 street position out for registration. Those out for registration shares can be traded but not settled.</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12200 Units Not Available Balance: 100 Units Out For Registration Sub-balance Not Available: 100 Units Registered Sub-balance: 12200 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12200 Units Not Available Balance: 100 Units Out For Registration Sub-balance Not Available: 100 Units Registered Sub-balance: 12200 Units</p>
<p>Day 17: Out For Registration shares are back from registration <u>unregistered</u> because the account owner has exceeded the foreign ownership limit. They will have to be sold ASAP.</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Unregistered Sub-balance 100 Units⁷</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Unregistered Sub-balance: 100 Units Registered Sub-balance: 12200 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Unregistered Sub-balance: 100 Units Registered Sub-balance: 12200 Units</p>

⁷ This is optional. It may be however interesting on a trading point of view to know that 100 units needs to be sold ASAP due to foreign ownership limitation.



Scenarios	Next over-night traded Securities Balance Custody Report sent by account servicer	Next over-night settled Securities Balance Custody Report sent by account servicer	Next over-night contractual Securities Balance Custody Report sent by account servicer
<p>Day 18: account servicer informs its account owner that 7000 units of his stock are being re-aligned between local agents (Transshipment). It has no impact on the trading (as the operation will be finished by T+3) At account owner level, the securities remain in their account. It is at account servicer level that the units are moved. <i>Other scenarios are possible.</i></p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Unregistered Sub-balance: 100 Units Registered Sub-balance: 12200 Units In Transshipment Sub-balance Available: 7000 Units Available With No Additional Status: 5300 Units</p>	<p>Aggregate Balance: 12300 Units Available Balance: 12300 Units Unregistered Sub-balance: 100 Units Registered Sub-balance: 12200 Units In Transshipment Sub-balance Available: 7000 Units</p>
<p>Day 19: transshipment is finalized and the account owner has instructed a delivery of all his securities for settlement on day 20.</p>	<p>Aggregate Balance: 0 Unit</p>	<p>:93B::AGGR//UNIT/12300, :93B::NAVL//UNIT/12300, :16R:SUBBAL :93B::UNRG//UNIT/100, :16S:SUBBAL :16R:SUBBAL :93B::NOMI//UNIT/12200, :16S:SUBBAL :16R:SUBBAL :93C::PEND//UNIT/NAVL/12300, :16S:SUBBAL Aggregate Balance: 12300 Units Available Balance: 12300 Units Unregistered Sub-balance: 100 Units Registered Sub-balance: 12200 Units Pending Delivery Sub-balance Not Available: 12300 Units</p>	<p>:93B::AGGR//UNIT/12300, :93B::NAVL//UNIT/12300, :16R:SUBBAL :93B::UNRG//UNIT/100, :16S:SUBBAL :16R:SUBBAL :93B::NOMI//UNIT/12200, :16S:SUBBAL :16R:SUBBAL :93C::PEND//UNIT/NAVL/12300, :16S:SUBBAL Aggregate Balance: 12300 Units Available Balance: 12300 Units Unregistered Sub-balance: 100 Units Registered Sub-balance: 12200 Units Pending Delivery Sub-balance Not Available: 12300 Units</p>



Scenarios	Next over-night traded Securities Balance Custody Report sent by account servicer	Next over-night settled Securities Balance Custody Report sent by account servicer	Next over-night contractual Securities Balance Custody Report sent by account servicer
Day 20: delivery of 12300 fails.	N/A	Aggregate Balance: 12300 Units Not Available Balance: 12300 Units Unregistered Sub-balance: 100 Units Registered Sub-balance: 12200 Units Pending Delivery Sub-balance: 12300 Units	Aggregate Balance: 0 Unit
Day 21: delivery of 12300 settles.	N/A	Aggregate Balance: 0 Unit	N/A
Day 22: 700 units received from an account transfer. The account servicer recuperates the 700 units lent to the account owner.	Aggregate Balance: 0 Unit	Aggregate Balance: 0 Unit	Aggregate Balance: 0 Unit
Day 23: nothing happens.	N/A	N/A	N/A

H. Place of Safekeeping:

There are different possible scenarios and formats, depending on the account structure at the account servicer, whether or not an instrument is held in multiple locations, etc. The following are some of the most common scenarios and the formats that will apply.

a. Scenario 1 (one client account, one unique place of safekeeping):

- Client A (with account 888888) holds ISIN XX1234567890 and XX1234567891 at NCSD11XX.
- The account servicer reports only per place of safekeeping because no split holdings or because split holdings are reported in another statement.

ISO 15022 illustration – MT 535 CUST

Elements	Field	
Start of general sequence A	:16R:GENL	
Page number/ Continuation indicator	:28E:0001/MORE	
Sender's reference	:20C::SEME//ACCSERVREF	
Function of the message	:23G:NEWM	
Statement date and time	:98C::STAT//20020505	
Statement frequency indicator	:22F::SFRE//DAIL	
Complete/Updates report indicator	:22F::CODE//COMP	
Statement type	:22F::STTY//CUST	
Statement basis	:22F::STBA//SETT	
Account	:97a::SAFE//888888	
Activity flag (sequence A)	:17B::ACTI//Y	
Sub-account statement flag	:17B::CONS//N	
End of general sequence A	:16S:GENL	
Start of sub-safekeeping a/c seq. B	:16R:SUBSAFE	
Place of safekeeping	:94F::SAFE//NCSD/NCSD11XX	All FIN sequences following have NCSD11XX for place of safekeeping
Start of Financial instr. subseq. B1	:16R:FIN	
Identification of the financial inst.	:35B:ISIN XX1234567890	
Aggregate balance	:93B::AGGR//UNIT/33000,	
Total Available balance	:93B::AVAI//UNIT/24000,	
Total Unavailable balance	:93B::NAVL//UNIT/9000,	
Start of Sub-balance. subseq. B1b	:16R:SUBBAL	
Sub-balance use example	:93C::BLOK//UNIT/NAVL/9000,	
End of Sub-balance. subseq. B1b	:16S:SUBBAL	
End of Financial instr. subseq. B1	:16S:FIN	
Start of Financial instr. subseq. B1	:16R:FIN	
Identification of the financial inst.	:35B:ISIN XX1234567891	
Aggregate balance	:93B::AGGR//UNIT/20000,	
Total Available balance	:93B::AVAI//UNIT/20000,	
End of Financial instr. subseq. B1	:16S:FIN	
End of sub-safekeeping a/c seq. B	:16S:SUBSAFE	

ISO 20022 illustration – semt.002

Note that the Account Servicer Message/Document identification is included in the Business Application Header

Elements	Field
Start Pagination	<Pgntn>
Page number/ Last Page Indicator	<PgNb>001</PgNb> <LastPgInd>No <LastPgInd>
End Pagination	</Pgntn>
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Statement date and time	<StmDtTm> <Dt> 20020505 </Dt> </StmDtTm>	
Statement frequency indicator	<Frqcy> <Cd> DAIL </Cd> </Frqcy>	
Complete/Updates report indicator	<UpdTp> Cd> COMP </Cd> </UpdTp>:	
Statement basis	<StmBsis> <Cd> SETT </Cd> </StmBsis>	
Activity flag	<ActvtyInd> Yes </ActvtyInd>	
Sub-account statement flag	<SubAcctInd> No </SubAcctInd>	
End Statement General Details	</StmGnlDtls>	
Start Safekeeping Account	<SfkpgAcct>	
Identification	<Id> 888888 </Id>	
End Safekeeping Account	</SfkpgAcct>	
Start Balance For Account	<BalForAcct>	
Financial Instrument Identification	<FinInstrmId> <ISIN> XX1234567890 </ISIN> </FinInstrmId>	
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp> NCSD </SfkpgPlcTp> <Id> NCSD11XX </Id> </TpAndId> </SfkpgPlc>	
Aggregate balance	<AggtBal> <ShrtLngInd> LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit> 33000 </Unit> </Qty> </Qty> </Qty> </AggtBal>	
Total Available balance	<AvlblBal> <Qty> <Unit> 24000 </Unit> </Qty> </AvlblBal>:	
Total Unavailable balance	<NotAvlblBal> <Qty> <Unit> 9000 </Unit> </Qty> </NotAvlblBal>	
Start Balance Breakdown	<BalBrkdwn>	
Sub-balance Type use example	<SubBalTp> <Cd> BLOK </Cd> </SubBalTp> <Qty>	



	<QtyAndAvlby> <Qty> <Unit>9000</Unit> </Qty> <AvlbyInd>No</AvlbyInd> </QtyAndAvlby> </Qty>
End Balance Breakdown	</BalBrkdn>
End Balance For Account	</BalForAcct>
Start Balance For Account	<BalForAcct>
Financial Instrument Identification	

Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp> NCSD </SfkpgPlcTp> <Id> NCSD11XX </Id> </TpAndId> </SfkpgPlc>
Aggregate balance	<AggtBal> <ShrtLngInd> LONG </ShrtLngInd> <Qty> <Qty> <Unit> 20000 </Unit> </Qty> </Qty> </Qty> </AggtBal>
Total Available balance	<AvlblBal> <Qty> <Unit> 20000 </Unit> </Qty> </AvlblBal>:
End Balance For Account	</BalForAcct>

b. Scenario 2 (1 client account for two NCSDs):

- Client A (with account 888888) holds ISIN XX1234567890 both at two different NCSDs.
- The account servicer maintains the same client account (888888) for both CSDs.
- 10000 units are held at NCSD11XX and 25000 units at NCSD22YY.
- Total holding is 35000 units.
- The account servicer reports **split holdings in a specific statement**.

ISO 15022 illustration – MT 535 CUST

Elements	Field	
Start of general sequence A	:16R:GENL	
Page number/ Continuation indicator	:28E:0001/MORE	
Sender's reference	:20C::SEME//ACCSERVREF	
Function of the message	:23G:NEWM	
Statement date and time	:98C::STAT//20020505	
Statement frequency indicator	:22F::SFRE//DAIL	
Complete/Updates report indicator	:22F::CODE//COMP	
Statement type	:22F::STTY//CUST	
Statement basis	:22F::STBA//SETT	
Account	:97a::SAFE//888888	
Activity flag (sequence A)	:17B::ACTI//Y	
Sub-account statement flag	:17B::CONS//N	
End of general sequence A	:16S:GENL	
Start of sub-safekeeping a/c seq. B	:16R:SUBSAFE	
Start of Financial instr. subseq. B1	:16R:FIN	
Identification of the financial inst.	:35B:ISIN XX1234567890	
Aggregate balance	:93B::AGGR//UNIT/35000,	Total holding at both CSD is 35000
Start of Sub-balance. subseq. B1b	:16R:SUBBAL	
Aggregate balance	:93B::AGGR//UNIT/10000,	Total holding at NCSD1 is 10000
Place of safekeeping	:94F::SAFE//NCSD/NCSD11XX	
End of Sub-balance. subseq. B1b	:16S:SUBBAL	
Start of Sub-balance. subseq. B1b	:16R:SUBBAL	
Sub-balance use example	:93C::BLOK//UNIT/NAVL/9000,	

Place of safekeeping	:94F::SAFE//NCSD/NCSD11XX	
End of Sub-balance. subseq. B1b	:16S:SUBBAL	
Start of Sub-balance. subseq. B1b	:16R:SUBBAL	
Aggregate balance	:93B::AGGR//UNIT/25000,	Total holding at NCSD2 is 25000
Place of safekeeping	:94F::SAFE//NCSD/NCSD22YY	
End of Sub-balance. subseq. B1b	:16S:SUBBAL	
End of Financial instr. subseq. B1	:16S:FIN	
End of sub-safekeeping a/c seq. B	:16S:SUBSAFE	

It is also possible to report per place of safekeeping. One Sequence B will be used to report all holdings (including XX1234567890) at Place of safekeeping NCSD1, and another Sequence B will be used to report all holdings (including XX1234567890) at place of safekeeping NCSD2, etc. See Scenario 1 and 4.

ISO 20022 illustration – semt.002

Note that the Account Servicer Message/Document identification is included in the Business Application Header

Elements	Field
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Page number/ Last Page Indicator	<PgNb>001</PgNb> <LastPgInd>No <LastPgInd>
End Pagination	</Pgntn>
Start Statement General Details	<StmntGnlDtls>
Statement date and time	<StmntDtTm> <Dt> 20020505</Dt> </StmntDtTm>
Statement frequency indicator	<Frqcy> <Cd>DAIL</Cd> </Frqcy>
Complete/Updates report indicator	<UpdTp> <Cd>COMP</Cd> </UpdTp>:
Statement basis	<StmntBsis> <Cd>SETT</Cd> </StmntBsis>
Activity flag	<ActvtyInd>Yes</ActvtyInd>
Sub-account statement flag	<SubAcctInd>No</SubAcctInd>
End Statement General Details	</StmntGnlDtls>
Start Safekeeping Account	<SfkpgAcct>
Identification	<Id>888888</Id>
End Safekeeping Account	</SfkpgAcct>
Start Balance For Account	<BalForAcct>
Financial Instrument Identification	<



	<
Aggregate balance	<AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit>33000</Unit> </Qty> </Qty> </Qty> </AggtBal>
Start Balance At Safekeeping Place	< BalAtSfkpgPlc >
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp>NCSD </SfkpgPlcTp> <Id>NCSD11XX</Id>

	</TpAndId> </SfkpgPlc>
Aggregate balance	<AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit>10000</Unit> </Qty> </Qty> </Qty>
Start Balance Breakdown	<BalBrkdwn>
Sub-balance Type use example	<SubBalTp> <Cd>BLOK</Cd> </SubBalTp> <Qty> <QtyAndAvlby> <Qty> <Unit>9000</Unit> </Qty> <AvlbyInd>No</AvlbyInd> </QtyAndAvlby> </Qty>
End Balance Breakdown	</BalBrkdwn>
End Balance At Safekeeping Place	</ BalAtSfkpgPlc >
Start Balance At Safekeeping Place	< BalAtSfkpgPlc >
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp>NCSD </SfkpgPlcTp> <Id> NCSD22YY</Id> </TpAndId> </SfkpgPlc>
Aggregate balance	<AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit>25000</Unit> </Qty> </Qty> </Qty>
End Balance At Safekeeping Place	</ BalAtSfkpgPlc >
End Balance For Account	</BalForAcct>

c. Scenario 3 (1 client account for both an ICSD and an NCSD):

- Client A (with account 888888) holds ISIN XX1234567890 at an ICSD and at a NCSD.
- The account servicer maintains the same client account (888888) for both CSDs.
- 10000 units are held at ICSDLUBE and 25000 units at NCSD22YY.
- Total holding is 35000 units.
- Availability of the aggregate balance is reported in this example as an illustration. It is optional.
- The account servicer reports split holdings in a specific statement.

ISO 15022 illustration – MT 535 CUST

Elements	Field
Start of general sequence A	:16R:GENL
Page number/ Continuation indicator	:28E:0001/MORE

Sender's reference	:20C::SEME//ACCSERVREF	
Function of the message	:23G::NEWM	
Statement date and time	:98C::STAT//20020505	
Statement frequency indicator	:22F::SFRE//DAIL	
Complete/Updates report indicator	:22F::CODE//COMP	
Statement type	:22F::STTY//CUST	
Statement basis	:22F::STBA//SETT	
Account	:97a::SAFE//888888	
Activity flag (sequence A)	:17B::ACTI//Y	
Sub-account statement flag	:17B::CONS//N	
End of general sequence A	:16S::GENL	
Start of sub-safekeeping a/c seq. B	:16R::SUBSAFE	
Start of Financial instr. subseq. B1	:16R::FIN	
Identification of the financial inst.	:35B::ISIN XX1234567890	
Aggregate balance	:93B::AGGR//UNIT/35000,	Total holding at both CSDs is 35000
Total available balance	:93B::AVAI//UNIT/25000,	
Total not available balance	:93B::NAVL//UNIT/10000,	
Start of Sub-balance. subseq. B1b	:16R::SUBBAL	
Aggregate balance	:93B::AGGR//UNIT/10000,	Total holding at ICSD is 10000
Total available balance	:93B::AVAI//UNIT/5000,	
Total not available balance	:93B::NAVL//UNIT/5000,	
Place of safekeeping	:94F::SAFE//ICSD/ICSIDLUBE	
End of Sub-balance. subseq. B1b	:16S::SUBBAL	
Start of Sub-balance. subseq. B1b	:16R::SUBBAL	
Sub-balance example	:93C::BLOK//UNIT/NAVL/5000,	
Place of safekeeping	:94F::SAFE//ICSD/ICSIDLUBE	
End of Sub-balance. subseq. B1b	:16S::SUBBAL	
Start of Sub-balance. subseq. B1b	:16R::SUBBAL	
Aggregate balance	:93B::AGGR//UNIT/25000,	Total holding at NCSD is 25000
Total available balance	:93B::AVAI//UNIT/25000,	
Place of safekeeping	:94F::SAFE//NCSD/NCSD22YY	
End of Sub-balance. subseq. B1b	:16S::SUBBAL	
End of Financial instr. subseq. B1	:16S::FIN	
End of sub-safekeeping a/c seq. B	:16S::SUBSAFE	

ISO 20022 illustration – semt.002

Note that the Account Servicer Message/Document identification is included in the Business Application Header

Elements	Field
Start Pagination	<Pgntn>
Page number/ Last Page Indicator	<PgNb>001</PgNb> <LastPgInd>No <LastPgInd>
End Pagination	</Pgntn>
Start Statement General Details	<StmntGnlDtls>
Statement date and time	<StmntDtTm> <Dt> 20020505</Dt> </StmntDtTm>
Statement frequency indicator	<Frqcy> <Cd>DAIL</Cd>



	</Frqcy>
Complete/Updates report indicator	<UpdTp> Cd> COMP </Cd> </UpdTp>:
Statement basis	<StmntBsis> <Cd> SETT </Cd> </StmntBsis>
Activity flag	<ActvtyInd> Yes </ActvtyInd>
Sub-account statement flag	<SubAcctInd> No </SubAcct Ind>
End Statement General Details	</StmntGnlDtls>
Start Safekeeping Account	<SfkpgAcct>
Identification	<Id> 888888 </Id>
End Safekeeping Account	</SfkpgAcct>
Start Balance For Account	<BalForAcct>
Financial Instrument Identification	



Aggregate balance	<pre> <AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit>35000</Unit> </Qty> </Qty> </Qty> </AggtBal> </pre>
Total Available balance	<pre> <AvlblBal> <Qty> <Unit>25000</Unit> </Qty> </AvlblBal>: </pre>
Total Unavailable balance	<pre> <NotAvlblBal> <Qty> <Unit>10000</Unit> </Qty> </NotAvlblBal> </pre>
Start Balance At Safekeeping Place	<pre> <BalAtSfkpgPlc> </pre>
Safekeeping Place	<pre> <SfkpgPlc> <TpAndId> <SfkpgPlcTp>ICSD </SfkpgPlcTp> <Id>NCSDLUBE</Id> </TpAndId> </SfkpgPlc> </pre>
Aggregate balance	<pre> <AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit>10000</Unit> </Qty> </Qty> </Qty> </AggtBal> </pre>
Total Available balance	<pre> <AvlblBal> <Qty> <Unit>5000</Unit> </Qty> </AvlblBal>: </pre>
Total Unavailable balance	<pre> <NotAvlblBal> <Qty> <Unit>5000</Unit> </Qty> </NotAvlblBal> </pre>
Start Balance Breakdown	<pre> <BalBrkdwn> </pre>
Sub-balance Type use example	<pre> <SubBalTp> </pre>

	<Cd>BLOK</Cd> </SubBalTp> <Qty> <QtyAndAvlby> <Qty> <Unit>5000</Unit> </Qty> <AvlbyInd>No</AvlbyInd> </QtyAndAvlby> </Qty>
End Balance Breakdown	</BalBrkdwn>
End Balance At Safekeeping Place	</BalAtSfkpgPlc>
Start Balance At Safekeeping Place	<BalAtSfkpgPlc>
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp>NCSD </SfkpgPlcTp> <Id>NCSD22YY</Id> </TpAndId> </SfkpgPlc>
Aggregate balance	<AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit>25000</Unit> </Qty> </Qty> </Qty> </AggtBal>
Total Available balance	<AvlblBal> <Qty> <Unit>25000</Unit> </Qty> </AvlblBal>:
End Balance At Safekeeping Place	</BalAtSfkpgPlc>
End Balance For Account	</BalForAcct>
End Balance At Safekeeping Place	<BalAtSfkpgPlc>
Start Balance For Account	<BalForAcct>

d. Scenario 4 (one client account, mixed reporting):

- Client A (with account 888888) holds ISIN XX1234567890 and XX1234567891 at NCSD11XX. He also holds XX1234567892 at two CSDs, 10000 units at ICSDLUBE and 25000 units at NCSD22YY.
- The account servicer reports, in the same statement, holdings held in one place and holdings held in multiple places.

ISO 15022 illustration – MT 535 CUST

Elements	Field
Start of general sequence A	:16R:GENL
Page number/ Continuation indicator	:28E:0001/MORE
Sender's reference	:20C::SEME//ACCSERVREF
Function of the message	:23G:NEWM
Statement date and time	:98C::STAT//20020505
Statement frequency indicator	:22F::SFRE//DAIL
Complete/Updates report indicator	:22F::CODE//COMP
Statement type	:22F::STTY//CUST
Statement basis	:22F::STBA//SETT
Account	:97a::SAFE//888888

Activity flag (sequence A)	:17B::ACTI/Y	
Sub-account statement flag	:17B::CONS/N	
End of general sequence A	:16S::GENL	
Start of sub-safekeeping a/c seq. B	:16R::SUBSAFE	
Place of safekeeping	:94F::SAFE//NCSD/NCSD11XX	All FIN sequences B1 following have NCSD11XX for place of safekeeping
Start of Financial instr. subseq. B1	:16R::FIN	
Identification of the financial inst.	:35B::ISIN XX1234567890	
Aggregate balance	:93B::AGGR//UNIT/33000,	
Total Available balance	:93B::AVAI//UNIT/24000,	
Total Unavailable balance	:93B::NAVL//UNIT/9000,	
Start of Sub-balance. subseq. B1b	:16R::SUBBAL	
Sub-balance use example	:93C::BLOK//UNIT/NAVL/9000,	
End of Sub-balance. subseq. B1b	:16S::SUBBAL	
End of Financial instr. subseq. B1	:16S::FIN	
Start of Financial instr. subseq. B1	:16R::FIN	
Identification of the financial inst.	:35B::ISIN XX1234567891	
Aggregate balance	:93B::AGGR//UNIT/20000,	
Total Available balance	:93B::AVAI//UNIT/20000,	
End of Financial instr. subseq. B1	:16S::FIN	
End of sub-safekeeping a/c seq. B	:16S::SUBSAFE	End of reporting for holdings held at one CSD.
Start of sub-safekeeping a/c seq. B	:16R::SUBSAFE	Start of reporting for holdings with multiple places of reporting
Start of Financial instr. subseq. B1	:16R::FIN	
Identification of the financial inst.	:35B::ISIN XX1234567892	
Aggregate balance	:93B::AGGR//UNIT/35000,	
Total available balance	:93B::AVAI//UNIT/25000,	
Total not available balance	:93B::NAVL//UNIT/10000,	
Start of Sub-balance. subseq. B1b	:16R::SUBBAL	
Aggregate balance	:93B::AGGR//UNIT/10000,	
Total available balance	:93B::AVAI//UNIT/5000,	
Total not available balance	:93B::NAVL//UNIT/5000,	
Place of safekeeping	:94F::SAFE//ICSD/ICSDLUBE	
End of Sub-balance. subseq. B1b	:16S::SUBBAL	
Start of Sub-balance. subseq. B1b	:16R::SUBBAL	
Sub-balance example	:93C::BLOK//UNIT/NAVL/5000,	
Place of safekeeping	:94F::SAFE//ICSD/ICSDLUBE	
End of Sub-balance. subseq. B1b	:16S::SUBBAL	
Start of Sub-balance. subseq. B1b	:16R::SUBBAL	
Aggregate balance	:93B::AGGR//UNIT/25000,	
Total available balance	:93B::AVAI//UNIT/25000,	
Place of safekeeping	:94F::SAFE//NCSD/NCSD22YY	
End of Sub-balance. subseq. B1b	:16S::SUBBAL	
End of Financial instr. subseq. B1	:16S::FIN	
End of sub-safekeeping a/c seq. B	:16S::SUBSAFE	

ISO 2002 illustration –semt.002

Note that the Account Servicer Message/Document identification is included in the Business Application Header

Elements	Field
Start Pagination	<Pgntn>
Page number/ Last Page Indicator	<PgNb>001</PgNb> <LastPgInd>No <LastPgInd>

End Pagination	</Pgntn>
Start Statement General Details	<StmntGnlDtls>
Statement date and time	<StmntDtTm> <Dt> 20020505 </Dt> </StmntDtTm>
Statement frequency indicator	<Frqcy> <Cd> DAIL </Cd> </Frqcy>
Complete/Updates report indicator	<UpdTp> <Cd> COMP </Cd> </UpdTp>:
Statement basis	<StmntBsis> <Cd> SETT </Cd> </StmntBsis>
Activity flag	<ActvtyInd> Yes </ActvtyInd>
Sub-account statement flag	<SubAcctInd> No </SubAcctInd>
End Statement General Details	</StmntGnlDtls>
Start Safekeeping Account	<SfkpgAcct>
Identification	<Id> 888888 </Id>
End Safekeeping Account	</SfkpgAcct>
Start Balance For Account	<BalForAcct>
Financial Instrument Identification	<FinInstrmId> <ISIN> XX1234567890 </ISIN> </FinInstrmId>
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp> NCSD </SfkpgPlcTp> <Id> NCSD11XX </Id> </TpAndId> </SfkpgPlc>
Aggregate balance	<AggtBal> <ShrtLngInd> LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit> 33000 </Unit> </Qty> </Qty> </Qty> </AggtBal>
Total Available balance	<AvlblBal> <Qty> <Unit> 24000 </Unit> </Qty> </AvlblBal>:
Total Unavailable balance	<NotAvlblBal> <Qty> <Unit> 9000 </Unit> </Qty> </NotAvlblBal>
Start Balance Breakdown	<BalBrkdwn>
Sub-balance Type use example	<SubBalTp> <Cd> BLOK </Cd> </SubBalTp>



	<Qty> <QtyAndAvlby> <Qty> <Unit> 9000 </Unit> </Qty> <AvlbyInd> No </AvlbyInd> </QtyAndAvlby> </Qty>
End Balance Breakdown	</BalBrkdn>
End Balance For Account	</BalForAcct>
Start Balance For Account	<BalForAcct>
Financial Instrument Identification	<FinInstrmId> <ISIN> XX1234567891 </ISIN> </FinInstrmId>
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp> NCSD </SfkpgPlcTp> <Id> NCSD11XX </Id> </TpAndId> </SfkpgPlc>
Aggregate balance	<AggtBal> <ShrtLngInd> LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit> 20000 </Unit> </Qty> </Qty> </Qty> </AggtBal>
Total Available balance	<AvlblBal> <Qty> <Unit> 20000 </Unit> </Qty> </AvlblBal>:
End Balance For Account	</BalForAcct>
Start Balance For Account	<BalForAcct>
Financial Instrument Identification	<FinInstrmId> <ISIN> XX1234567892 </ISIN> </FinInstrmId>
Aggregate balance	<AggtBal> <ShrtLngInd> LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit> 35000 </Unit> </Qty> </Qty> </Qty> </AggtBal>
Total Available balance	<AvlblBal> <Qty> <Unit> 25000 </Unit> </Qty> </AvlblBal>:
Total Unavailable balance	<NotAvlblBal> <Qty> <Unit> 10000 </Unit> </Qty> </NotAvlblBal>

Start Balance At Safekeeping Place	<BalAtSfkpgPlc>
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp> ICSD </SfkpgPlcTp> <Id> ICSDLUBE </Id> </TpAndId> </SfkpgPlc>
Aggregate balance	<AggtBal> <ShrtLngInd> LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit> 10000 </Unit> </Qty> </Qty> </Qty> </AggtBal>
Total Available balance	<AvlblBal> <Qty> <Unit> 5000 </Unit> </Qty> </AvlblBal>:
Total Unavailable balance	<NotAvlblBal> <Qty> <Unit> 5000 </Unit> </Qty> </NotAvlblBal>
Start Balance Breakdown	<BalBrkdw>
Sub-balance Type use example	<SubBalTp> <Cd> BLOK </Cd> </SubBalTp> <Qty> <QtyAndAvlbtY> <Qty> <Unit> 5000 </Unit> </Qty> <AvlbtYInd> No </AvlbtYInd> </QtyAndAvlbtY> </Qty>
End Balance Breakdown	</BalBrkdw>
End Balance At Safekeeping Place	</BalAtSfkpgPlc>
Start Balance At Safekeeping Place	<BalAtSfkpgPlc>
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp> NCSD </SfkpgPlcTp> <Id> NCSD22YY </Id> </TpAndId> </SfkpgPlc>
Aggregate balance	<AggtBal> <ShrtLngInd> LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit> 25000 </Unit> </Qty> </Qty> </Qty> </AggtBal>

Total Available balance	<AvlblBal> <Qty> <Unit>25000</Unit> </Qty> </AvlblBal>:
End Balance At Safekeeping Place	</BalAtSfkpgPlc>
End Balance For Account	</BalForAcct>

e. Scenario 5 (2 client accounts for 2 CSDs):

- Client A holds ISIN XX1234567890 at an ICSD and at a NCSD.
- The account servicer maintains, for his client, account 888888XS for the ICSD holdings and 888888IT for the local holdings
- No master account.
- 10000 units are held at ICSDLUBE and 25000 units at NCSD22YY.
- The account servicer will report this situation the below way.

ISO 15022 illustration – MT 535 CUST

MESSAGE 1:

Elements	Field	
Start of general sequence A	:16R:GENL	
Page number/ Continuation indicator	:28E:0001/MORE	
Sender's reference	:20C::SEME//ACCSERVREF	
Function of the message	:23G:NEWM	
Statement date and time	:98C::STAT//20020505	
Statement frequency indicator	:22F::SFRE//DAIL	
Complete/Updates report indicator	:22F::CODE//COMP	
Statement type	:22F::STTY//CUST	
Statement basis	:22F::STBA//SETT	
Account	:97a::SAFE//888888XS	
Activity flag (sequence A)	:17B::ACTI//Y	
Sub-account statement flag	:17B::CONS//N	
End of general sequence A	:16S:GENL	
Start of sub-safekeeping a/c seq. B	:16R:SUBSAFE	
Place of safekeeping	:94F::SAFE//ICSD/ICSDLUBE	Not necessarily needed as the account reflects the place of safekeeping.
Start of Financial instr. subseq. B1	:16R:FIN	
Identification of the financial inst.	:35B:ISIN XX1234567890	
Aggregate balance	:93B::AGGR//UNIT/10000,	
Total available balance	:93B::AVAI//UNIT/4000,	
Total not available balance	:93B::NAVL//UNIT/6000,	
Start of Sub-balance. subseq. B1b	:16R:SUBBAL	
Sub-balance use example	:93C::BLOK//UNIT/NAVL/6000,	
End of Sub-balance. subseq. B1b	:16S:SUBBAL	
End of Financial instr. subseq. B1	:16S:FIN	
End of sub-safekeeping a/c seq. B	:16S:SUBSAFE	

MESSAGE 2:

Elements	Field
Start of general sequence A	:16R:GENL
Page number/ Continuation indicator	:28E:0001/MORE
Sender's reference	:20C::SEME//ACCSERVREF
Function of the message	:23G:NEWM
Statement date and time	:98C::STAT//20020505
Statement frequency indicator	:22F::SFRE//DAIL

Complete/Updates report indicator	:22F::CODE//COMP	
Statement type	:22F::STTY//CUST	
Statement basis	:22F::STBA//SETT	
Account	:97a::SAFE//888888IT	
Activity flag (sequence A)	:17B::ACTI//Y	
Sub-account statement flag	:17B::CONS//N	
End of general sequence A	:16S::GENL	
Start of sub-safekeeping a/c seq. B	:16R::SUBSAFE	
Place of safekeeping	:94F::SAFE//NCSD/NCSD22YY	Not necessarily needed as the account reflects the place of safekeeping.
Start of Financial instr. subseq. B1	:16R::FIN	
Identification of the financial inst.	:35B::ISIN XX1234567890	
Aggregate balance	:93B::AGGR//UNIT/25000,	
Total available balance	:93B::AVAI//UNIT/20000,	
Total not available balance	:93B::NAVL//UNIT/5000,	
End of Financial instr. subseq. B1	:16S::FIN	
End of sub-safekeeping a/c seq. B	:16S::SUBSAFE	

ISO 2002 illustration – semt.002

MESSAGE 1:

Note that the Account Servicer Message/Document identification is included in the Business Application Header

Elements	Field
Start Pagination	<Pgntn>
Page number/ Last Page Indicator	<PgNb>001</PgNb> <LastPgInd>No <LastPgInd>
End Pagination	</Pgntn>
Start Statement General Details	<StmtGnlDtIs>
Statement date and time	<StmDtTm> <Dt> 20020505</Dt> </StmDtTm>
Statement frequency indicator	<Frqcy> <Cd>DAIL</Cd> </Frqcy>
Complete/Updates report indicator	<UpdTp> <Cd>COMP</Cd> </UpdTp>:

Statement basis	<StmntBsis> <Cd> SETT </Cd> </StmntBsis>	
Activity flag	<ActvtyInd> Yes </ActvtyInd>	
Sub-account statement flag	<SubAcctInd> No </SubAcctInd>	
End Statement General Details	</StmntGnlDtls>	
Start Safekeeping Account	<SfkpgAcct>	
Identification	<Id> 888888XS </Id>	
End Safekeeping Account	</SfkpgAcct>	
Start Balance For Account	<BalForAcct>	
Financial Instrument Identification	<FinInstrmId> <ISIN> XX1234567890 </ISIN> </FinInstrmId>	
Safekeeping Place	<SfkpgPlc> <TpAndId> <SfkpgPlcTp> ICSD </SfkpgPlcTp> <Id> ICSDLUBE </Id> </TpAndId> </SfkpgPlc>	Not necessarily needed as the account reflects the place of safekeeping.
Aggregate balance	<AggtBal> <ShrtLngInd> LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit> 10000 </Unit> </Qty> </Qty> </Qty> </AggtBal>	
Total Available balance	<AvlblBal> <Qty> <Unit> 4000 </Unit> </Qty> </AvlblBal>:	
Total Unavailable balance	<NotAvlblBal> <Qty> <Unit> 6000 </Unit> </Qty> </NotAvlblBal>	
Start Balance Breakdown	<BalBrkdwn>	
Sub-balance Type use example	<SubBalTp> <Cd> BLOK </Cd> </SubBalTp> <Qty> <QtyAndAvlbty> <Qty> <Unit> 6000 </Unit> </Qty> <AvlbtyInd> No </AvlbtyInd> </QtyAndAvlbty> </Qty>	
End Balance Breakdown	</BalBrkdwn>	
End Balance For Account	</BalForAcct>	

MESSAGE 2:

Note that the Account Servicer Message/Document identification is included in the Business Application Header

Elements	Field
Start Pagination	<Pgntn>
Page number/ Last Page Indicator	<PgNb>001</PgNb> <LastPgInd>No <LastPgInd>
End Pagination	</Pgntn>
Start Statement General Details	<StmtGnlDtls>
Statement date and time	<StmtDtTm> <Dt> 20020505</Dt> </StmtDtTm>
Statement frequency indicator	<Frqcy> <Cd>DAIL</Cd> </Frqcy>
Complete/Updates report indicator	<UpdTp> Cd>COMP</Cd> </UpdTp>:
Statement basis	<StmtBsis> <Cd>SETT</Cd> </StmtBsis>
Activity flag	<ActvtyInd>Yes</ActvtyInd>
Sub-account statement flag	<SubAcctInd>No</SubAcct Ind>
End Statement General Details	</StmtGnlDtls>
Start Safekeeping Account	<SfkpgAcct>
Identification	<Id>88888IT</Id>
End Safekeeping Account	</SfkpgAcct>
Start Balance For Account	<BalForAcct>
Financial Instrument Identification	



Safekeeping Place	<pre> <SfkpgPlc> <TpAndId> <SfkpgPlcTp>NCSD </SfkpgPlcTp> <Id>NCSD22YY</Id> </TpAndId> </SfkpgPlc> </pre>	Not necessarily needed as the account reflects the place of safekeeping.
Aggregate balance	<pre> <AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Unit>25000</Unit> </Qty> </Qty> </AggtBal> </pre>	
Total Available balance	<pre> <AvlblBal> <Qty> <Unit>20000</Unit> </Qty> </AvlblBal>: </pre>	
Total Unavailable balance	<pre> <NotAvlblBal> <Qty> <Unit>5000</Unit> </Qty> </NotAvlblBal> </pre>	
End Balance For Account	<pre></BalForAcct></pre>	

f. Scenario 6 (1 master account for 2 sub-safekeeping account and 2 CSDs):

- Client A holds ISIN XX1234567890 at an ICSD and at a NCSD.
- The account servicer maintains, for his client, account 888888XS for the ICSD holdings and 888888IT for the local holdings.
- **WITH** master account (888888).
- 10000 units are held at ICSDLUBE and 25000 units at NCSD22YY.
- The account servicer will report this situation the below way.

ISO 15022 illustration – MT 535 CUST

Elements	Field	
Start of general sequence A	:16R:GENL	
Page number/ Continuation indicator	:28E:0001/MORE	
Sender's reference	:20C::SEME//ACCSERVREF	
Function of the message	:23G:NEWM	
Statement date and time	:98C::STAT//20020505	
Statement frequency indicator	:22F::SFRE//DAIL	
Complete/Updates report indicator	:22F::CODE//COMP	
Statement type	:22F::STTY//CUST	
Statement basis	:22F::STBA//SETT	
Master Account	:97a::SAFE//888888	
Activity flag (sequence A)	:17B::ACTI//Y	
Sub-account statement flag	:17B::CONS//Y	
End of general sequence A	:16S:GENL	
Start of sub-safekeeping a/c seq. B	:16R:SUBSAFE	
Sub-safekeeping account	:97a::SAFE//888888XS	
Place of safekeeping	:94F::SAFE//ICSD/ICSDLUBE	Not necessarily needed as the account reflects the place of safekeeping.
Activity flag (sequence B)	:17B::ACTI//Y	
Start of Financial instr. subseq. B1	:16R:FIN	
Identification of the financial inst.	:35B:ISIN XX1234567890	
Aggregate balance	:93B::AGGR//UNIT/10000,	
End of Financial instr. subseq. B1	:16S:FIN	
End of sub-safekeeping a/c seq. B	:16S:SUBSAFE	
Start of sub-safekeeping a/c seq. B	:16R:SUBSAFE	
Sub-safekeeping account	:97a::SAFE//888888IT	
Place of safekeeping	:94F::SAFE//NCSD/NCSD22YY	Not necessarily needed as the account reflects the place of safekeeping.
Activity flag (sequence B)	:17B::ACTI//Y	
Start of Financial instr. subseq. B1	:16R:FIN	
Identification of the financial inst.	:35B:ISIN XX1234567890	
Aggregate balance	:93B::AGGR//UNIT/25000,	
Start of Sub-balance. subseq. B1b	:16R:SUBBAL	
Sub-balance use example	:93B::NOMI//UNIT/25000,	
End of Sub-balance. subseq. B1b	:16S:SUBBAL	
Start of Sub-balance. subseq. B1b	:16R:SUBBAL	
Sub-balance use example	:93B::SPOS//UNIT/20000,	
End of Sub-balance. subseq. B1b	:16S:SUBBAL	
End of Financial instr. subseq. B1	:16S:FIN	
End of sub-safekeeping a/c seq. B	:16S:SUBSAFE	

ISO 20022 illustration – semt.002

Note that the Account Servicer Message/Document identification is included in the Business Application Header

Elements	Field
Start Pagination	<Pgntn>
Page number/ Last Page Indicator	<PgNb>001</PgNb> <LastPgInd>No <LastPgInd>
End Pagination	</Pgntn>
Start Statement General Details	<StmntGnlDtls>
Statement date and time	<StmntDtTm> <Dt> 20020505</Dt> </StmntDtTm>
Statement frequency indicator	<Frqcy> <Cd>DAIL</Cd> </Frqcy>
Complete/Updates report indicator	<UpdTp> <Cd>COMP</Cd> </UpdTp>:
Statement basis	<StmntBsis> <Cd>SETT</Cd> </StmntBsis>
Activity flag	<ActvtyInd>Yes</ActvtyInd>
Sub-account statement flag	<SubAcctInd>Yes</SubAcctInd>
End Statement General Details	</StmntGnlDtls>
Start Safekeeping Account	<SfkpgAcct>
Identification	<Id>888888</Id>
End Safekeeping Account	</SfkpgAcct>
Start Sub Account Details	<BalForSubAcct>
Safekeeping Account	<SfkpgAcct> <Id>888888XS</Id> </SfkpgAcct>
Activity flag	<ActvtyInd>Yes</ActvtyInd>
Start Balance For Sub Account	<BalForAcct>
Financial Instrument Identification	



Safekeeping Place	<pre> <SfkpgPlc> <TpAndId> <SfkpgPlcTp>ICSD </SfkpgPlcTp> <Id>ICSDLUBE</Id> </TpAndId> </SfkpgPlc> </pre>	Not necessarily needed as the account reflects the place of safekeeping.
Aggregate balance	<pre> <AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Unit>10000</Unit> </Qty> </Qty> </Qty> </AggtBal> </pre>	
End Balance For Sub Account	<pre> </BalForSubAcct> </pre>	
Start Sub Account Details	<pre> <BalForSubAcct> </pre>	
Safekeeping Account	<pre> <SfkpgAcct> <Id>888888IT</Id> </SfkpgAcct> </pre>	
Activity flag	<pre> <ActvtyInd>Yes</ActvtyInd> </pre>	
Start Balance For Sub Account	<pre> <BalForAcct> </pre>	
Financial Instrument Identification		



<p>Safekeeping Place</p>	<pre> <SfkpgPlc> <TpAndId> <SfkpgPlcTp>NCSD </SfkpgPlcTp> <Id>NCSD22YY</Id> </TpAndId> </SfkpgPlc> </pre>	<p>Not necessarily needed as the account reflects the place of safekeeping.</p>
<p>Aggregate balance</p>	<pre> <AggtBal> <ShrtLngInd>LONG </ShrtLngInd> <Qty> <Qty> <Qty> <Unit>25000</Unit> </Qty> </Qty> </Qty> </pre>	



	</Qty> </AggtBal>
Start Balance Breakdown	<BalBrkdown>
Sub-balance Type use example	<SubBalTp> <Cd> NOMI </Cd> </SubBalTp> <Qty> <Qty> <Unit> 25000 </Unit> </Qty> </Qty>
End Balance Breakdown	</BalBrkdown>
Start Balance Breakdown	<BalBrkdown>
Sub-balance Type use example	<SubBalTp> <Cd> SPOS </Cd> </SubBalTp> <Qty> <Qty> <Unit> 20000 </Unit> </Qty> </Qty>
End Balance Breakdown	</BalBrkdown>
End Balance For Sub Account	</BalForSubAcct>

VII. Market practice rules: ACCOUNTING statement

A. Scope

This message is sent by an account servicer (account servicing institution) to an account owner or its designated agent. The accounting statement provides valuations of the portfolio with details of each financial instrument holding; this information can either be audited or un-audited. It is typically not used for trading purposes.

The accounting statement provides valuation of a financial instrument portfolio. Other types of assets may be included on a SLA basis.

The accounting statement is typically based on trade dated position, but there are occurrences where accounting settlement and a contractual based statement are used.

Traded basis	Settled basis	Contractual basis
<ul style="list-style-type: none"> - This is the most common accounting statement. It provides a portfolio valuation at ownership level. - The statement is based on trade date⁸ positions to the knowledge of the sender at the time of the statement preparation. - All positions that belong to the account owner (settled or not, currently held or not) are taken into consideration when preparing the statement. - For more details on the handling of pending/failing receipts and deliveries, see chapter on the aggregate balance calculation on page 53. 	<ul style="list-style-type: none"> - It provides a portfolio valuation at ownership level based on actually settled owned positions to the knowledge of the sender at the time of the statement preparation. - All positions that belong to the account owner AND that are effectively settled are taken into consideration when preparing the statement. - Effectively / actually settled positions are all positions that have been credited in/debited from the safekeeping account, i.e. movements that have been reported in transactions posting report. - For more details on the handling of pending/failing receipts and deliveries, see chapter on the aggregate balance calculation on page 53. 	<ul style="list-style-type: none"> - It provides a portfolio valuation at ownership level based on contractually settled owned positions to the knowledge of the sender at the time of the statement - All positions that belong to the account owner AND that are contractually settled are taken into consideration when preparing the statement. - Contractually settled positions are positions that have reached their requested/contractual settlement date. - For more details on the handling of pending/failing receipts and deliveries, see chapter on the aggregate balance calculation on page 53.

⁸ Trade date should be understood more broadly than just the date securities were purchased or sold. In a trade dated accounting statement, could also be accounted for securities that have been received or delivered outside the framework of a trade (e.g. an account transfer). In the example of an account transfer, the trade date is to be understood as the date when the transfer is instructed and processed.

B. Sequence diagram

In green, the main communication requirements for this process

In black, the surrounding communication requirements.

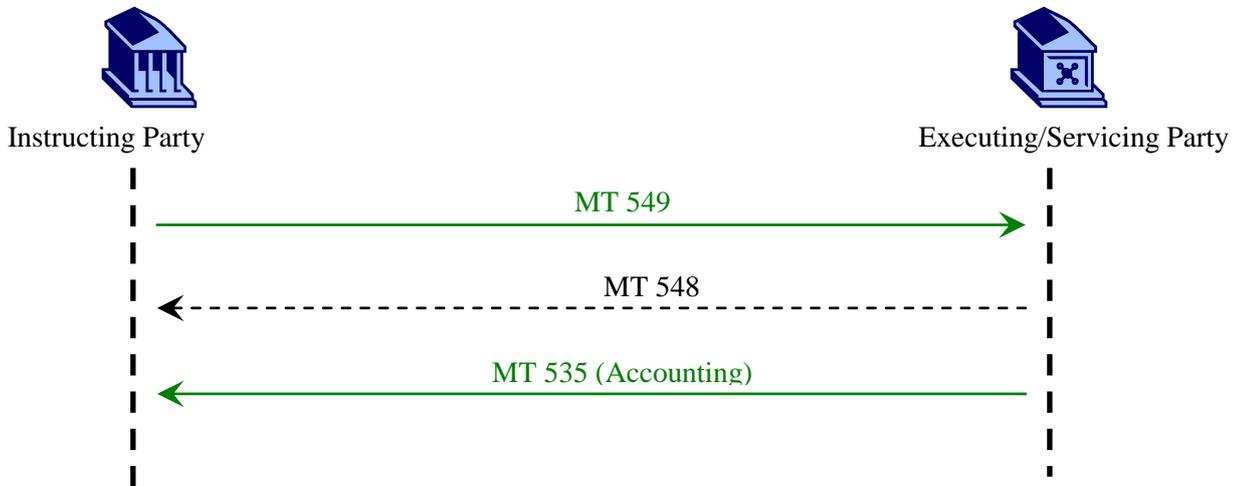
In dotted line, the optional/potential surrounding communication requirements.

ISO 15022

i. Push mode



ii. Pull mode

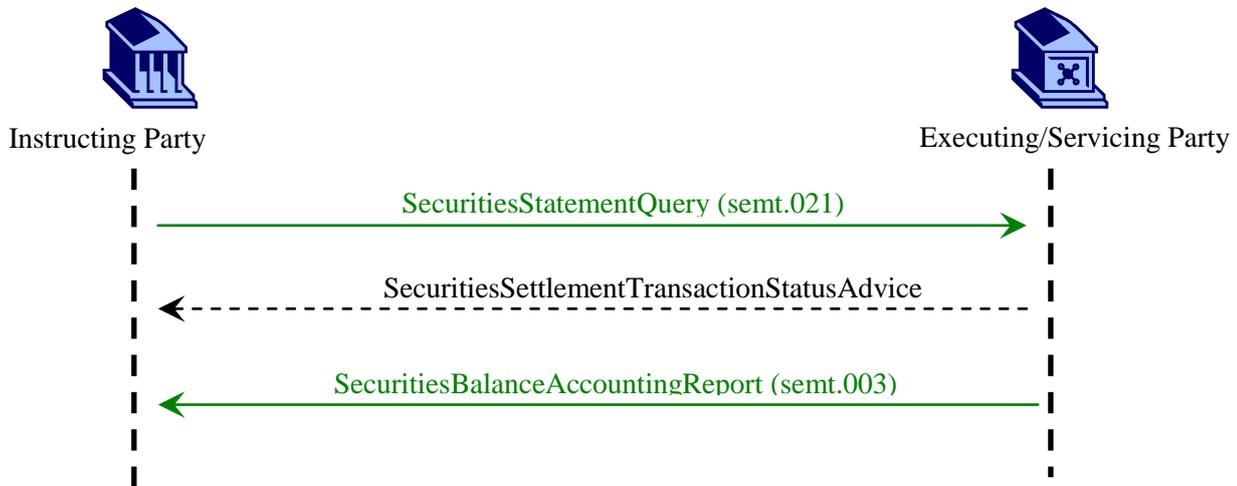


ISO 20022

i. Push mode



i. Pull mode





C. Common mandatory business data requirements:

The SMPG recommends that all the below optional and mandatory fields be present in all Securities Balance Accounting Report.

Common mandatory elements	Detailed usage	M/C/O
Page number/ Continuation indicator	<ul style="list-style-type: none"> ▪ Page number (5n) from 00001 to 99999 ▪ Continuation indicator (in ISO 15022) <ul style="list-style-type: none"> - ONLY if only one page. - MORE if more pages to come. - LAST if last page. ▪ Continuation indicator (in ISO 20022) <ul style="list-style-type: none"> - Yes/No Indicator. 	M
Sender's reference	Must be a unique reference. In ISO 20022 it will be part of the Business Application Header.	M
Function of the message for ISO 15022 only)	<ul style="list-style-type: none"> ▪ NEWM for new statement. ▪ CANC to cancel a previously sent statement. If :23G:CANC is used, a linkage sequence A1 must be used to identify the reference⁹ of the message to be cancelled (:20C::PREV//16x). 	M
Statement date and time	<ul style="list-style-type: none"> ▪ Recommended to be used with option C in ISO 15022 (ISODateAndTime in ISO 20022). ▪ Sender's local time. 	M
Statement frequency indicator	It is mandatory to provide the statement frequency.	M
Complete/Updates report indicator	<ul style="list-style-type: none"> ▪ This indicator is mandatory. ▪ For accounting statement, only Complete report is relevant. 	M
Statement type (in ISO 15022 only)	<ul style="list-style-type: none"> ▪ Assumptions: Global custodians will not expect accounting statements (ACCT) from their sub-custodians. ▪ Global custodians are susceptible to send both accounting (ACCT) and custody (CUST) types. 	M
Statement basis	<p>Identifies the statement basis. It is mandatory to always provide the statement basis to avoid ambiguity.</p> <ul style="list-style-type: none"> ▪ TRAD: traded basis ▪ SETT: settled basis ▪ CONT: contractual basis 	M
Account	The account should be a real account (no narrative nor institution names).	M
Activity flag (sequence A)		M
Audited Statement	For accounting statements, it is recommended to always mention whether or not it is an audited statement or not.	O
Sub-Safekeeping Statement	Will depend on account servicer's internal account structure.	M
Sub-Account	<ul style="list-style-type: none"> ▪ <i>Mandatory if the sub-account statement flag is on Y.</i> ▪ <i>The account should be a real account (no narrative no institution names).</i> 	C
Activity flag (sequence B)	<ul style="list-style-type: none"> ▪ <i>Mandatory if the sub-account statement flag is on Y.</i> 	C

⁹ Hence the importance of the uniqueness of the SEME reference used in each message, i.e. each page of the Statement.



	<ul style="list-style-type: none"> ▪ <i>NOT allowed if the sub-account statement flag is on N</i> 	
Identification of the financial inst.	ISIN is the preferred format.	M
Price	<ul style="list-style-type: none"> ▪ Price is mandatory in an accounting statement. <ul style="list-style-type: none"> - Market price mandatory if audited - ,Indicative price is typically only allowed in not audited statement. It is however widely accepted that an indicative price could be provided in an audited statement if, for a particular instrument, there is no market price available. ▪ If value is unknown (very rare cases), Market Price must be UNKNOWN, NOT a dummy value. 	M
Aggregate balance	The accounting aggregate balance content depends on the statement basis: see chapter E for details.	M
Holding Value	<ul style="list-style-type: none"> ▪ The value of the holding is mandatory in an accounting statement. ▪ For financial instruments traded in another currency they are priced in, the holding value will either be in the traded currency or in the account base currency. 	M



D. Optional business data requirements:

The below optional fields may be provided in an accounting statement but are optional. If used, they must be used as described in the “Detailed usage” column. It is to be noted that most of the usage rules are standards rules, not market practice recommendations.

Any other fields not mentioned above or below are considered NOT needed for this specific type of statement. If used, they will be handled through SLA.

Common optional elements	Detailed usage	M/C/O
Statement number (ISO 15022) Report Number (ISO 20022)	Only short number id (3 numeric) can be used as accounting statement are always COMPLETE statements.	O
Preparation date and time	Will be part of the Business Application Header in ISO 20022.	O
<i>Number identification (in ISO 15022 only)</i>	<ul style="list-style-type: none"> • <i>Would be used (optionally) when the MT 535 was sent following a MT 549 request.</i> • <i>Would be used (optionally) when the function of the message is CANC</i> 	O
Reference (ISO 15022 only)	<ul style="list-style-type: none"> • A linkage sequence MUST be present when the statement is an answer to a Request for Statement/Status advice MT 549. The reference of the MT 549 will be mentioned using the qualifier RELA. ▪ A linkage sequence MUST be present when the function of the message is CANC. The reference of the cancelled MT 535 will be mentioned using the qualifier PREV. 	C
Query Reference	<ul style="list-style-type: none"> ▪ The Query Reference MUST be present when the statement is an answer to a Securities Statement Request. The query reference will be mentioned using the QueryReference message element.(ISO 20022) 	C
Place of safekeeping	<ul style="list-style-type: none"> • Place of safekeeping must be a BIC. A Country Code can be used when no BIC is available. • With the place of safekeeping field at Sequence B level (ISO 15022) or at the Balance For Account Level (ISO 20022), it is possible to report holdings per place of safekeeping. For more details on the usage of this field (see chapter VI.H.) 	O
Source of Price	When Place Code is LMAR, the source of price must be a Market Identifier Code (MIC). The list of MIC is available on www.ISO15022.org	O
Price quotation Date and time		O
Balance	Could be used in an accounting statement to provide multiple place of safekeeping reporting per instrument (see chapter VI.H.)	O
Place of safekeeping	Place of safekeeping must be a BIC. Option C (Country Code) can be used when no BIC is available.	O
Source of price	When Place Code is LMAR, the source of price must be a Market Identifier Code (MIC). The list of MIC is available on www.ISO15022.org	O
	▪	
Price quotation date and time		O
Number of days accrued		O
Accrued interest amount		O
	▪	



Exchange rate		O
Number of Days Accrued		O
Accrued Interest Amount		O
Exchange Rate	Exchange rate used to derive a base currency holding amount. The order of the two currencies specified here is independent of the currencies in the amount and resulting amount fields. Therefore the exchange rate can be expressed as a reciprocal if required. For the calculation of the rate itself, the First Currency Code will be the base currency and the Second Currency Code will be the quoted currency. (1,00 of First Currency Code = [Rate] of Second Currency Code). ¹⁰	O

¹⁰ ISO 150222 Standard Usage rule.



E. Aggregate balance usage:

	Traded	Settled	Contractual
<u>Aggregate Balance Calculation</u>	<p>Total quantity of financial instruments that needs to be taken into account for the valuation of the portfolio, i.e. the total quantity of financial instruments (settled or not) that <u>belongs</u> to the account owner.</p> <ul style="list-style-type: none"> - It includes all kept positions that belong to the account owner. - It includes positions that although not kept in the account, belong to the account owner (collateral out, on loan positions, in transshipments, out for registration, pending/failing receipts). - It excludes kept positions that belong to a third party (third party collateral in, borrowed positions, pending/failing deliveries). 	<p>Total quantity of financial instruments that needs to be taken into account for the valuation of the portfolio, i.e. the total quantity of financial instruments that <u>belongs</u> to the account owner, effective settlement date being the date when ownership is considered transferred:</p> <ul style="list-style-type: none"> - It includes all kept positions that belong to the account owner. - It includes positions that although not kept in the account, belong to the account owner following a past settlement (collateral out, on loan positions, in transshipments, out for registration). - It still includes pending/failing deliveries not yet effectively settled out. - It excludes kept positions that belong to a third party (third party collateral in, borrowed positions). - It excludes pending/failing receipts positions that belong to the account owner but are not yet effectively settled. 	<p>Total quantity of financial instruments that needs to be taken into account for the valuation of the portfolio, i.e. the total quantity of financial instruments that <u>belongs</u> to the account owner, contractual settlement date being the date when ownership is considered transferred:</p> <ul style="list-style-type: none"> - It includes all kept positions that belong to the account owner. - It includes positions that although not kept in the account, belong to the account owner following a past settlement (collateral out, on loan positions, in transshipments, out for registration). - It still includes pending deliveries positions not yet contractually settled. - It includes failing receipt positions contractually settled. - It excludes failing deliveries positions contractually settled. - It excludes pending receipts positions not yet contractually settled. - It excludes kept positions that belong to a third party (third party collateral in, borrowed positions).
<u>Aggregate Balance Availability</u>	<p>N/A Availability or not of the aggregate balance is NOT relevant in an accounting statement. If used, usage rules will be handled through SLA.</p>		

F. Sub- balance usage:

Sub-balances are typically not used in an accounting statement except for multiple place of safekeeping reporting as explained in the Optional Business Elements above.



G. Illustrations:

No sub-balance will be provided.

Scenarios (these examples may not reflect the reality. Ex: T+3)	Next over-night traded Securities Balance Accounting Report sent by account servicer	Next over-night settled Securities Balance Accounting Report sent by account servicer	Next over-night contractual Securities Balance Accounting Report sent by account servicer
Day 0: account owner has a holding of 500 units of ISIN XX1234567890.	ISIN XX1234567890 Aggregate Balance 500 Units	ISIN XX1234567890 Aggregate Balance 500 Units	ISIN XX1234567890 Aggregate Balance 500 Units
Day 1: account owner instructs a receipt of 1000 units for contractual settlement date on Day 3.	Aggregate Balance 1500 Units	Aggregate Balance 500 Units	Aggregate Balance 500 Units
Day 2: account servicer blocks 200 units. Those 200 units cannot be traded nor settled.	Aggregate Balance 1500 Units	Aggregate Balance 500 Units	Aggregate Balance 500 Units
Day 3: pending receipt that was expected to settle fails.	: Aggregate Balance 1500 Units	Aggregate Balance 500 Units	Aggregate Balance 1500 Units
Day 4: failing receipt effectively settles with 1 day delay.	Aggregate Balance 1500 Units	Aggregate Balance 1500 Units	Aggregate Balance 1500 Units
Day 5: account servicer unblock 200 units	Aggregate Balance 1500 Units	Aggregate Balance 1500 Units	Aggregate Balance 1500 Units
Day 6: account owner instructs a delivery of 2000 units and a receipt for 800 units for settlement on day 8.	Aggregate Balance 300 Units	Aggregate Balance 1500 Units	Aggregate Balance 1500 Units
Day 7: no action	Aggregate Balance 300 Units	: Aggregate Balance 1500 Units	Aggregate Balance 1500 Units
Day 8: receipt of 800 fails, automatic borrowing of the missing 500 units is initiated by account servicer (invisible on an accounting point of view). The 500 units are credited to the account same day allowing, once added to the existing 1500, to settle the delivery of 2000 on time.	Aggregate Balance 300 Units	Aggregate Balance SHORT 500 Units The 2000 are effectively delivered but the receipt failed, so the AGGR is 1500 – 2000 = SHORT 500 .	Aggregate Balance 300 Units On a contractual point of view, all instructions are settled.
Day 9: receipt of 800 units settles and the 500 borrowed are delivered back to the lender same day.	Aggregate Balance 300 Units	Aggregate Balance SHORT 300	Aggregate Balance 300 Units
Day 10: 600 units are credited in the account from a third party as collateral. The collateral cannot be used for any purposes.	Aggregate Balance 300 Units	Aggregate Balance SHORT 300 The collateral securities are kept but not owned, i.e. not accounted for.	Aggregate Balance 300 Units The collateral securities are kept but not owned, i.e. not accounted for.
Day 11: a credit of 12000 units hits the account (following the settlement of an account transfer on same day) and the 600 units of collateral are delivered back to the third party.	Aggregate Balance 12300 Units	Aggregate Balance 12300	Aggregate Balance 12300 Units



<p>Scenarios (these examples may not reflect the reality. Ex: T+3)</p>	<p>Next over-night traded Securities Balance Accounting Report sent by account servicer</p>	<p>Next over-night settled Securities Balance Accounting Report sent by account servicer</p>	<p>Next over-night contractual Securities Balance Accounting Report sent by account servicer</p>
<p>Day 12: account owner instructs a delivery free of 300 units as a loan to a third party. The delivery settles on same day. The account owner will have to recall the securities if he wants to deliver them. He can still trade them, though. <i>This is only one possible scenario of securities lending. The impact on availability and calculation of the aggregate balance may be different in other lending scenarios, e.g. auto-lending.</i></p>	<p>Aggregate Balance 12300 Units</p>	<p>Aggregate Balance 12300</p>	<p>Aggregate Balance 12300 Units</p>
<p>Day 13: account owner recalls the loaned units. These are credited back on same day. The account <u>servicer</u>, on the same day, delivers out for collateralisation 10000 units. No action is required from the account owner for substitution or recall. <i>This is only one possible scenario of securities collateral operation. The impact on availability and calculation of the aggregate balance may be different in other collateralization scenarios..</i></p>	<p>Aggregate Balance 12300 Units</p>	<p>Aggregate Balance 12300</p>	<p>Aggregate Balance 12300 Units</p>
<p>Day 14: account <u>servicer</u> recalls 4000 units of the 10000 collateralised out and pledge them. <i>Would be identical if it was a Derivatives Margin. In this scenario, pledged securities are considered available. There are other possible scenarios, practices where they would be considered not available..</i></p>	<p>Aggregate Balance 12300 Units</p>	<p>Aggregate Balance 12300</p>	<p>Aggregate Balance 12300 Units</p>
<p>Day 15: account servicer expands its offering. In addition of the position sub-balance type, it will now also provide information on the financial instrument itself (registered, tax-exempt, etc.. 100 units of the 12300 the account owner have, are kept in the name of the prior beneficial owner (Street Position). <i>Would be identical if it was another instrument sub-balance (Non Tax Exempt, Tax Exempt,...).</i></p>	<p>Aggregate Balance 12300 Units</p>	<p>Aggregate Balance 12300</p>	<p>Aggregate Balance 12300 Units</p>



Scenarios (these examples may not reflect the reality. Ex: T+3)	Next over-night traded Securities Balance Accounting Report sent by account servicer	Next over-night settled Securities Balance Accounting Report sent by account servicer	Next over-night contractual Securities Balance Accounting Report sent by account servicer
<p>Day 16: account servicer recalls all collateral (Collateral Out and Pledged) and send the 100 street position out for registration. Those out for registration shares can be traded and settled. (Other scenarios are possible, see below).</p>	Aggregate Balance 12300 Units	Aggregate Balance 12300	Aggregate Balance 12300 Units,
<p>Day 16bis: account servicer recalls all collateral (Collateral Out and Pledged) and send the 100 street position out for registration. Those out for registration shares can be traded but not settled.</p>	Aggregate Balance 12300 Units	Aggregate Balance 12300	Aggregate Balance 12300 Units,
<p>Day 17: Out For Registration shares are back from registration unregistered because the account owner has exceeded the foreign ownership limit. They will have to be sold ASAP.</p>	Aggregate Balance 12300 Units	Aggregate Balance 12300	Aggregate Balance 12300 Units
<p>Day 18: 7000 units of the stock are being re-aligned between local agents (Transshipment). It has no impact on the trading (as the operation will be finished by T+3) At account owner level, the securities remain in their account. It is at account servicer level that the units are moved. <i>Other scenarios are possible.</i></p>	Aggregate Balance 12300 Units,	Aggregate Balance 12300 ,	Aggregate Balance 12300 Units,
<p>Day 19: transshipment is finalized and the account owner has instructed a sell of 13000 units for settlement on day 20. No covering purchase for the missing 700 units. The account owner will rely on an automatic borrowing service from his account servicer (only an example).</p>	Aggregate Balance SHORT 700 Units On a trade date point of view, the account owner has a negative balance has soon as his delivery is processed by the account owner: $12300 - 13000 = \text{short } 700$.	Aggregate Balance 12300 Not yet settled.	Aggregate Balance 12300 Units Not yet contractually settled.
<p>Day 20: Delivery of 13000 fails as automatic borrowing was not possible on that day (only an example).</p>	Aggregate Balance SHORT 700	Aggregate Balance 12300 Not yet settled.	Aggregate Balance SHORT 700 Units Contractually settled.
<p>Day 21: Delivery of 13000 settles thanks to an automatic borrowing of 700.</p>	Aggregate Balance SHORT 700	Aggregate Balance SHORT 700 ,	Aggregate Balance SHORT 700
<p>Day 22: 700 units received from an account transfer. The account servicer recuperates the 700 units lent to the account owner.</p>	Aggregate Balance 0	Aggregate Balance 0 Unit	Aggregate Balance 0 Unit
<p>Day 23: Nothing happens</p>	n/a	n/a	n/a



H. Place of Safekeeping:

Same usage as for custody statements (see chapter VI.H)



VIII. Appendix - Custody statement for Securities Lending And Borrowing activity

As currently defined no version of the MT 535 properly supports reporting for Securities Lending Activity. SR2007 introduced new sub Tags for 93B which further complicated the matter. The following appendix detailing usage for Securities Lending is :

- To provide clear and consistent guidance to the Lending agent, about how to interpret the existing custody settlement dated MT535. No message changes are being instituted to the existing settlement based, custody message. **This appendix serves only to inform the lending agent, how they may use the existing message to better manage their accounts.**

Please note the following process and reporting changes required for securities lending are only to be applied to the **settlement based, custody message**.

Lending Agency Background

Non-custodial Lending Agents operate outside of the custodian bank and investment manager systems, and as such have unique requirements for MT535 messages. These lending agents:

- may or may not have information on pending IM trading activity (Buys/Sells),
- are responsible to ensure that their lending activities do not cause or contribute to IM sell fails,
- maintain internal records of each lending transaction (New Loan /Loan Return) in either a settled or a pending status,
- are responsible to ensure that their internal loan position records and lending transaction status records are kept in agreement with the custodian and depository, and
- rely on the custodian bank as their window into trade settlements in the depository.

Based on this, lending agents' requirements for MT535 reporting are:

- settled shares are reported only in the LOAN bucket

CODE INTERPRETATION FOR LENDING AGENTS

– This table represents how the lending agent would interpret the codes when sent in accordance with the current Market Practice. It does not suggest any change to the current usage.

	Investment Managers	Agent Lenders
BLCA	NAVL	NAVL
BLOK	NAVL	NAVL
BLOT	NAVL	NAVL



BLOV	NAVL	NAVL
BODE	NAVL	NAVL
BORR	AVAI	NAVL
COLI	SLA	NAVL
COLO	SLA	NAVL
LODE	AVAI	NAVL
PECA	NAVL	NAVL
PEDA	NAVL	NAVL
PEND	NAVL	NAVL
PENR	NAVL	NAVL
REGO	NAVL	NAVL
RSTR	NAVL	NAVL
TRAN	NAVL	NAVL
AWAS	AVAI	AVAI
BORE	AVAI	NAVL
COLA	AVAI	NAVL
LORE	AVAI	NAVL
NOMI	AVAI	AVAI
SPOS	AVAI	NAVL
LOAN	AVAI	NAVL
CLEN	AVAI	AVAI
DIRT	AVAI	NAVL
DRAW	AVAI	NAVL
MARG	SLA	NAVL
ISSU	AVAI	?
QUAS	AVAI	?
PLED	SLA	NAVL
UNRG	AVAI	NAVL
OTHR	SLA	SLA



- **OTHR** is ambiguous and the recommendation is to not use OTHR for Lending, but instead populate one of the existing subcodes. If OTHR is to be used, then it will require a clear understanding and agreement between the sender and lending agent as to how it is to be interpreted.
- Both LODE and LORE were introduced in SR2007 and may be used for informational purposes only. These are not settlement based buckets and as such should not be representative in the balance buckets being reported.
- If LODE and LORE are used then:
 - when a new loan is reported as settled via MT546/MT547, the shares be simultaneously decreased in LODE and increased in LOAN prior to sending the next MT535
 - when a loan return is reported as settled via MT544/MT545, the shares be simultaneously decreased in LORE and decreased in LOAN prior to sending the next MT535that lending transaction shares are reported in no more than one of LOAN, LODE and LORE at any one time,

Details of the Securities Lending Specific Usage

1) AGGR=AVAI + NAVL (No change), what changes is the components within each bucket

2) NAVL: Unavailable (Composed of)

- a) LODE *May be used but for informational purposes only.
- b) PEND *Highly Recommended if sent to a Sec Lending Agent
- c) LOAN *Highly Recommended if sent to a Sec Lending Agent
- d) All other Qualifiers (except AWAS, CLEN and NOMI) should be considered NAVL by Sec Lending Agent.

3) AVAI: Available (Composed of)

- a) Nomi
- b) Clen
- c) Loan is not part of the AVAI bucket for lending purposes

4) Settlement Dated

EXAMPLE

The below is an example of the lending use of the sub-balance qualifiers

In the below scenario of a custody (22F::STTY//CUST) settled dated (:22F::STBA//SETT) statement, the account owner holds 12300 units of equity B:



5000 units are considered available(AVAI)

- 2000 are on LOAN (but reported available on the standard settlement based custody MT535)
- 3000 are available- no additional info (AWAS)

7300 units are considered not-available(NAVL)

- 300 units are not available because they are Restricted-RSTR
- 2000 units were sold (PEND)
- 5000 are pending loan delivery LODE (reported not-available)

Settled Dated Custody Usage for Lending

:93B::AGGR//UNIT/12300,
:93B::AVAI//UNIT/5000,
:93B::NAVL//UNIT/7300,
:16R:SUBBAL
:93C::RSTR/UNIT/NAVL/300,
:16S:SUBBAL
:16R:SUBBAL
:93C::PEND/UNIT/NAVL/2000,
:16S:SUBBAL
:16R:SUBBAL
:93C::LODE/UNIT/NAVL/5000,
:16S:SUBBAL
:16R:SUBBAL
:93C::LOAN//UNIT/AVAI/2000,
:16S:SUBBAL
:16R:SUBBAL
:93B::AWAS//UNIT/3000,
:16S:SUBBAL

Lending Agent Calculations to Arrive at Lending Avail and Not Avail

AVAIL = 5000 (AVAI//UNIT) – 2000 (LOAN//UNIT//AVAI) = 3000
NAVL = 7300 (NAVL//UNIT) + 2000 (LOAN//UNIT//AVAI) = 9300

Or

NAVL = 300(RSTR/UNIT/NAVL) + 2000(PEND/UNIT/NAVL) + 5000(LODE/UNIT/NAVL) + 2000(LOAN//UNIT//AVAI)= 9300



The 12,300 shares is the **total position owned**. Of the 12,300 units the MT535 reports that 5,000 are available(:93B::AVAI//UNIT/5000,) and that 7,300 are not available (:93B::NAVL//UNIT/7300,).

The problem for lending agents is that the AVAI amount includes the amount on loan (In this case 2,000 is on loan)(:93C::LOAN//UNIT/AVAI/2000,) . From a lending agent perspective the outstanding loan amount is NOT Available.

The lending agent would need to manually subtract 2,000 from the available balance(5,000 - 2,000) = 3,000. The would also need to add 2,000 to the not available balance (7,300 + 2,000) = 9,300. The **9,300 is the total position not available from the lending agent perspective.**

So from the lending agent point of view - the MT535 should show:

:93B::AVAI//UNIT/3000,
 :93B::NAVL//UNIT/9300,

Not
 :93B::AVAI//UNIT/5000,
 :93B::NAVL//UNIT/7300,