



SETTLEMENT AND ISO 15022
STANDARDS:

PORTUGAL
MARKET PRACTICE

*Issued on behalf of the **Portuguese** Market Practice Group*

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Portuguese Market Practice Templates for Settlement

1 Introduction

This document refers to equities and fixed income vanilla trades in a custody environment.

Changes to previous version (in dark blue)			
V5.1 Jul 2002	Correction	Typo correction in PSET BIC from XCMVPTPP to XCVMPPTPP	Page 2 and 3.
V5.2 Aug 2004	Change	Change of PSET BIC from XCVMPPTPP to XCVMPPTP P <u>1</u>	Page 2 and 3.
V5.3 February 2007	Change	Change of beneficial ownership information no longer mandatory for off-market trades.	Page 1

2 The Needed Elements

PT	
Business element name	Data Content Format
Sender's Message Reference	16x
Settlement Date	8!n
Trade Date	8!n
Identification of Financial Instrument	ISIN1!e12!c
Quantity of Financial Instrument to be settled	4!c/15d with 4!c = UNIT for equities 4!c = FAMT for fixed income
Safekeeping account to be credited or debited	35x
<i>Change of Beneficial Owner Indicator</i>	(1)
Delivering or Receiving agent	BIC
Place of Settlement	BIC
Client of Delivering or Receiving agent	BIC
Settlement Amount (including currency)	3!a15d

2.1 Specifics

To settle equities or fixed income securities in the PT market, the Common List of Data Elements needs to be used, plus:

- For off-market trades, the change of beneficial owner indicator *may*¹ be used Sequence E, field 22F::BENE//4!c with 2 values:
 - NBEN (no change of beneficial ownership)
 - YBEN (change of beneficial ownership)

¹ This information is no longer a matching criterion in the Portuguese off-market settlement system, called SLrt. It can be transmitted to the market, if included in the settlement instruction.

3 Illustration of the common elements used :

3.1 Off-market and on-market trades.

- Securities used: PT0123456789
- parties and safekeeping accounts relationships as follows :

fund manager	FMXXCC22	fictional Bank Identifier Code (BIC)
	ABCD	fictional account with its global custodian
broker	BRYYCC22	fictional Bank Identifier Code (BIC)
	99857	fictional account with its local agent
global custodian	GCXXDD22	fictional Bank Identifier Code (BIC)
	A1B2	fictional account with its subcustodian/local agent
subcustodian/local agent of the global custodian	SCXXPT22	fictional Bank Identifier Code (BIC)
	21354	fictional account with the central securities depository
local agent of the broker	SCYYPT22	fictional Bank Identifier Code (BIC)
	88888	fictional account with the central securities depository
Place of Settlement	XCVMP1	

- Trade Date is : 01 March 2005
- Settlement Date is : 04 March 2005
- Settlement amount is : EUR300000,
- Sender's Reference is : 21324

Detailed Field Name	Data Field Content	Example
Start of block	GENL	:16R:GENL
Sender's Reference	16x	:20C::SEME//21324
Function of the message	4!c	:23G:NEWM
End of block	GENL	:16S:GENL
Start of block	TRADEDET	:16R:TRADEDET
Settlement Date	8!n	:98A::SETT//20050304
Trade Date	8!n	:98A::TRAD//20050301
Identification of the Financial Instruments	ISIN1!e12!c	:35B:ISIN PT0123456789
End of block	TRADEDET	:16S:TRADEDET
Start of block	FIAC	:16R:FIAC
Quantity of Financial Instrument	4!c/15d	:36B::SETT//xxxx/15000,
Safekeeping Account	35x	:97A::SAFE//xxxxxxxxxxx
End of block	FIAC	:16S:FIAC
Start of block	SETDET	:16R:SETDET
Settlement Transaction Type Indicator	4!a	:22F::SETR//TRAD
Settlement Transaction Condition (may be provided for off-market ONLY)	4!a	:22F::BENE//NBEN or YBEN
IDENTIFICATION OF PARTIES OF ACCOUNTS	WILL VARY	ACCORDING TO THE SETTLEMENT CHAIN
Start of block	AMT	:16R:AMT
Settlement amount	3!c15d	:19A::SETT//EUR300000,
End of block	AMT	:16S:AMT
End of block	SETDET	:16S:SETDET

Settlement Chain should at least contain :

Delivering or Receiving agent	BIC
Place of Settlement	BIC
Client of Delivering or Receiving agent	BIC

Example :

Start of block	SETPRTY	:16S:SETPRTY
Party (Delivering agent)	BIC	:95P::DEAG//SCYYPT22
End of block	SETPRTY	:16S:SETPRTY
Start of block	SETPRTY	:16R:SETPRTY
Party (Seller)	BIC	:95P::SELL//BRYYCC22
End of block	SETPRTY	:16S:SETPRTY
Start of block	SETPRTY	:16R:SETPRTY
Party (place of settlement)	BIC	:95P::PSET//XCVMPTP1
End of block	SETPRTY	:16S:SETPRTY

4 Extension to Settlement Confirmation and Free of Payment

The set of common elements can also be used for settlement confirmation and free of payment transaction with the following differences:

4.1 free of payments

Free of payment instruction contains the same elements as for the against payment transaction except for the elements pertaining to the settlement amounts. The settlement amount(s) is not required.

4.2 confirms

The Settlement confirmation – whether it is a free of payment or an against payment transaction – should contain the same elements as the original instruction

PLUS:

- The reference to the original settlement instruction that was received. This is done using the Linkage Block and the qualifier 20C::RELA//16x

EXCEPT:

- The settlement date given in the confirmation is the effective settlement date (which might differ from the instructed settlement date as stated in the instruction). This translates in ISO 15022 messages by using the qualifier ESET rather than SETT as qualifier for the date field 98a.
- The quantity of financial instrument in the confirmation is the effective settled quantity. This translates in ISO 15022 messages by using the qualifier ESTT rather than SETT as qualifier for the quantity of financial instrument field 36B.
- The settlement amount given in the confirmation is the effective settlement amount. This translates in ISO 15022 messages by using the qualifier ESTT rather than SETT as qualifier for the amount field 19A.