

Balance Reports in Book-Entry Transfer System for Corporate Bonds

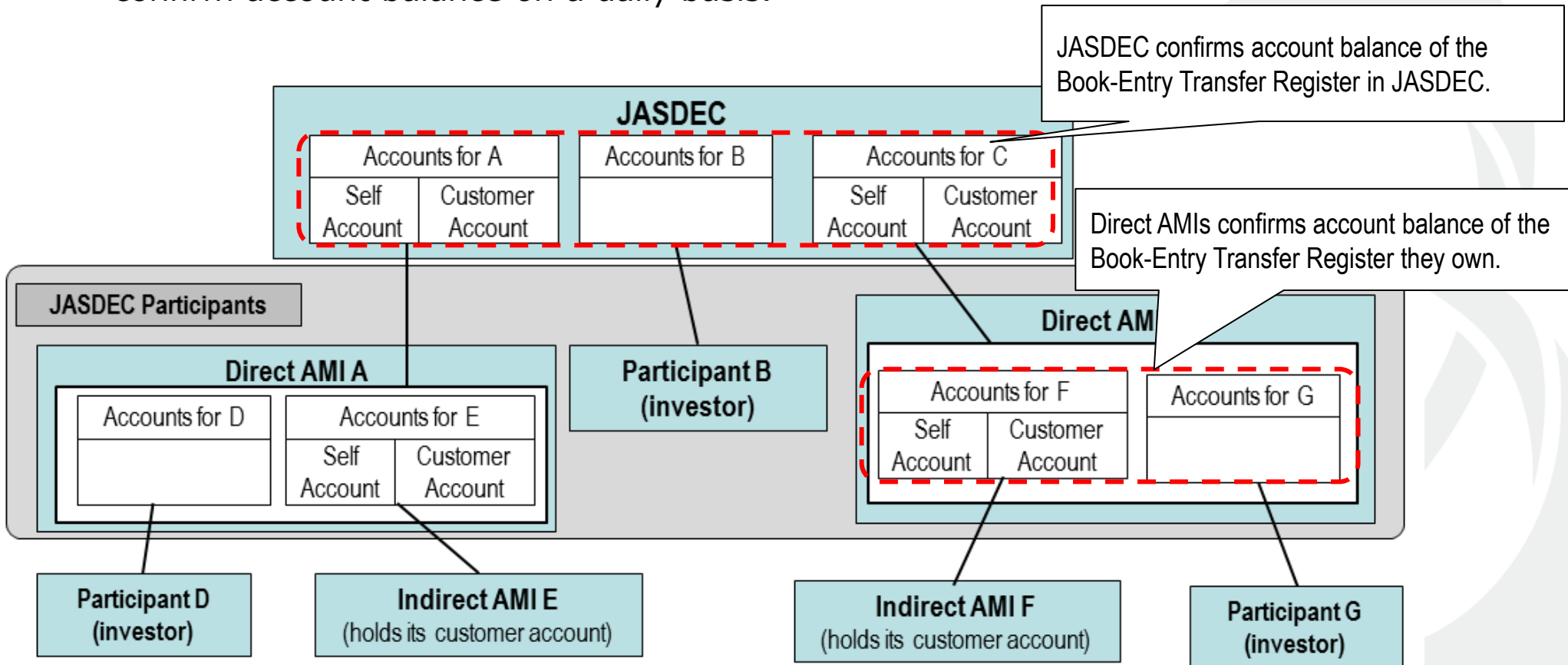
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Japan Securities Depository Center inc.

- This presentation aims to explain how JASDEC adopts ISO 20022 message formats in order to inform statement of holding to its participants.
- The presentation explains JASDEC's business operation and which ISO 20022 message formats are used and how the process works. It also explains differences between T2S's Delta Reports.

Introduction

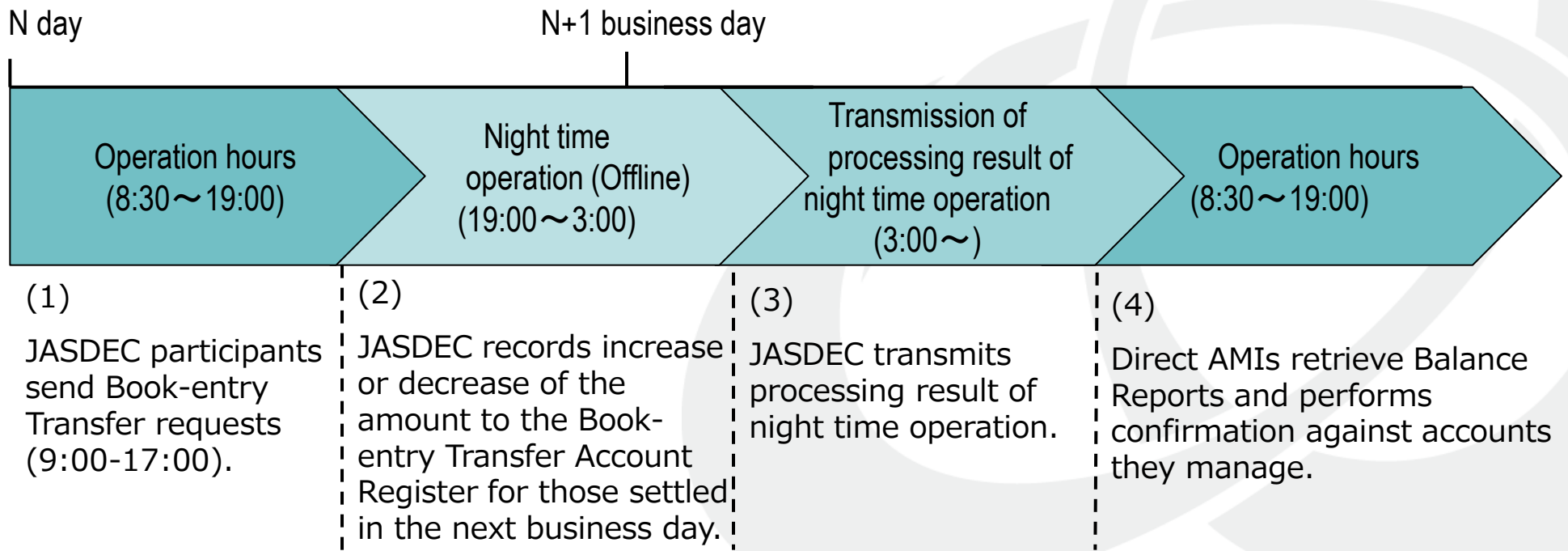
- Book-Entry Transfer System for Corporate Bonds have a multi-layer holding structure, where Direct Account Management Institution (AMI) can manage its self account and customer account in the Book-entry Transfer Account Register.
- For the purpose of preventing excess recording, both JASDEC and Direct AMI shall confirm account balance on a daily basis.



Participants in the Book-Entry Transfer System for Corporate Bonds

Schedule of Balance Confirmation

- After operation hours of the day (N day), as a part of night time operation, JASDEC conducts recordation to its Book-Entry Transfer Account Register which is based on Book-Entry Transfer requests submitted from JASDEC participants. After the night time operation, from 3am of next business day (N+1 business day), JASDEC transmits Balance Reports.
- On the next business day (N+1 business day), Direct AMI retrieve the Balance Reports and perform confirmation against Book-entry Transfer Account Register they own. Balance confirmation shall be done regardless of account transfer, and if there is excess recordings, Direct AMI shall contact JASDEC immediately and follow steps JASDEC defines.



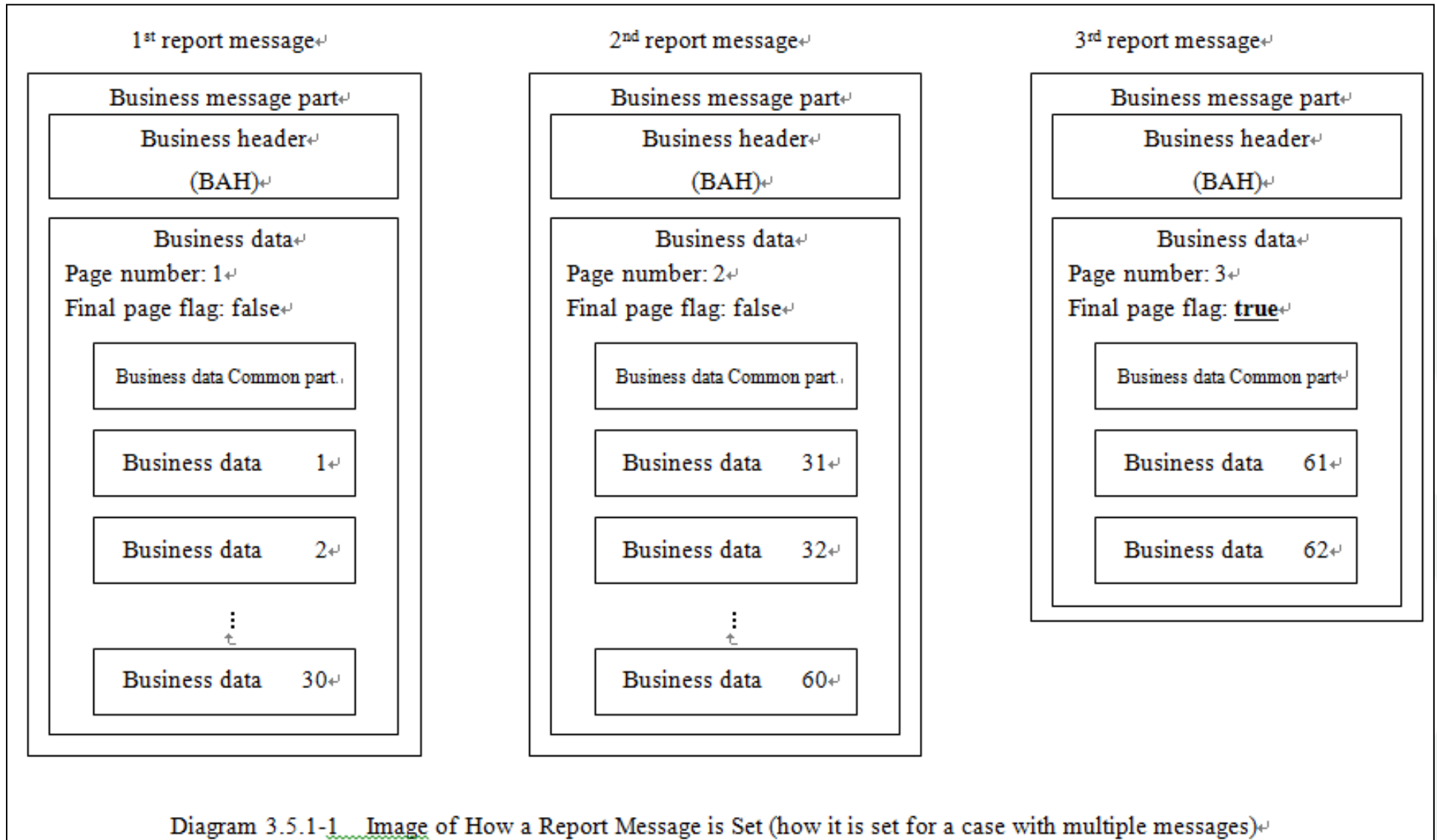
Balance Reports

- JASDEC transmits two versions of Balance Reports, one is the aggregated balance for every issue at the end of operation hours, and another is the balance of issues of those changed (recorded) during the night time operation.
- Both of Balance Reports adopts semt.002 report message. Single message may contain up to 30 business data. Using “Page Number” and “Last Page Indicator” field, multiple messages can be considered as a series of data.

Name	ISO Code	Details
Balance Reports (before night time operation)	semt.002.001.07	Aggregated balance for every issue at the end of Book-Entry Transfer operation. (Balance Report for self account and customer account are created separately.)
Balance Reports (result of night time operation)	semt.002.001.07	Balance for issues for those recorded during night time operation.

- Example of how the report message is set for a case where 62 sets of business data are reported is shown below.

Balance Reports



Difference between T2S Delta Report

- No pending balance: JASDEC's Balance report does not pending transaction.
- Usage of XML: JASDEC's Balance Reports does not contain certain information which is used in T2S Delta Report, such as Available Balance, Not Available Balance, AWAS Balance etc. (Comparison between T2S Delta Report is shown in next slide.).

Usage of XML (comparison bet. T2S Delta Report)

XML	T2S's Delta reports	JASDEC's Balance Reports (result of night time operation)
/Document/SctiesBalCtdyRpt/BalForAcct/AggtBal	Aggregated Balance	Intermediary Closing Balance
/Document/SctiesBalCtdyRpt/BalForAcct/AvlblBal	Available Balance	—
/Document/SctiesBalCtdyRpt/BalForAcct/NotAvlblBal	Not Available Balance	—
/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/SubBalTp/Cd/AWAS	AWAS balance	—
/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/SubBalTp/Prtry/Id	Aggregated Sub Balance	Type of Account Balance (Book-Entry Transfer/Redemption/Frozen) *repetitive
/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/SubBalTp/Prtry/Issr	—	Code issuer of ISIN (JASDEC) *repetitive
/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/Qty/Qty/FaceAmt	—	Balance of each account indicated above *repetitive
/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/AddtlBalBrkdwnDtIs	Aggregated Detail Sub Balance	—
/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/QtyBrkdwn	Individual position of each Restriction Reference	—

Appendix: Setting Examples



Appendix: Settings

Balance Reports (before night time operation)

#	Item name	XML	Setting, etc.
1	PageNumber	/Document/SctiesBalCtdyRpt/Pgntn/PgNb	Page number
2	Last Page Indicator	/Document/SctiesBalCtdyRpt/Pgntn/LastPgInd	"true" for last page, "false" for other than last page.
3	Type of Report	/Document/SctiesBalCtdyRpt/StmtGnlDtls/StmtId	"500" (indicates type of report message in JASDEC)
4	Date	/Document/SctiesBalCtdyRpt/StmtGnlDtls/StmtDtTm/Dt	Date of transmission (YYYY-MM-DD)
5	Code	/Document/SctiesBalCtdyRpt/StmtGnlDtls/Frqcy/Cd	"DAIL" (Daily)
6	Code	/Document/SctiesBalCtdyRpt/StmtGnlDtls/UpdTp/Cd	"COMP" (Complete)
7	Code	/Document/SctiesBalCtdyRpt/StmtGnlDtls/StmtBsis/Cd	"SETT" (Balance based on settlement day)
8	ActivityIndicator	/Document/SctiesBalCtdyRpt/StmtGnlDtls/ActvtyInd	Set "true" (there's data)
9	SubAccountIndicator	/Document/SctiesBalCtdyRpt/StmtGnlDtls/SubAcctInd	Set "false" (no subaccount data)
10	JASDEC Participant Code	/Document/SctiesBalCtdyRpt/SfkpgAcct/Id	Code that identifies JASDEC Participant(7digits)

Appendix: Settings

Balance Reports (before night time operation) cont'd

#	Item name	XML	Setting, etc.
11	I S I N	/Document/SctiesBalCtdyRpt/BalForAcct/FinInst rmId/ISIN	ISIN
12	Currency Code	/Document/SctiesBalCtdyRpt/BalForAcct/FinInst rmAttrbts/DnmtnCcy	Currency Code defined in ISO4217
13	ShortLongIndicator	/Document/SctiesBalCtdyRpt/BalForAcct/AggtBa l/ShrtLngInd	"LONG" (Long)
14	Account Balance	/Document/SctiesBalCtdyRpt/BalForAcct/AggtBa l/Qty/Qty/Qty/FaceAmt	Account Balance(14digits)

Appendix: Settings

Balance Reports (result of night time operation)

#	Item name	XML	Setting
1	PageNumber	/Document/SctiesBalCtdyRpt/Pgntn/PgNb	Page number
2	Final Page Flag	/Document/SctiesTxPstngRpt/Pgntn/LastPgInd	"true" for last page, "false" for other than last page.
3	Type of Report	/Document/SctiesBalCtdyRpt/StmtGnlDtls/StmtId	"100" (Describes type of reports in JASDEC)
4	Date	/Document/SctiesBalCtdyRpt/StmtGnlDtls/StmtDtTm/Dt	Date of transmission(YYYY-MM-DD)
5	Code	/Document/SctiesBalCtdyRpt/StmtGnlDtls/Frqcy/Cd	"DAIL" (Daily)
6	Code	/Document/SctiesBalCtdyRpt/StmtGnlDtls/UpdTp/Cd	"DELTA" (Delta)
7	Code	/Document/SctiesBalCtdyRpt/StmtGnlDtls/StmtBsis/Cd	"SETT" (Balance based on settlement day)
8	ActivityIndicator	/Document/SctiesBalCtdyRpt/StmtGnlDtls/ActvtyInd	Set "true" (there's data)
9	SubAccountIndicator	/Document/SctiesBalCtdyRpt/StmtGnlDtls/SubAcctInd	Set "false" (no subaccount data)
10	JASDEC Participant Code	/Document/SctiesBalCtdyRpt/SfkpgAcct/Id	Code that identifies JASDEC Participant(7digits)
11	ISIN	/Document/SctiesBalCtdyRpt/BalForAcct/FinInstrmId/ISIN	ISIN

Appendix: Settings

Balance Reports (result of night time operation) cont'd

#	Item name	XML	Setting
12	ShortLongIndicator	/Document/SctiesBalCtdyRpt/BalForAcct/AggtBal/ShrtLngInd	"LONG" (Long)
13	Current Balance	/Document/SctiesBalCtdyRpt/BalForAcct/AggtBal/Qty/Qty/Qty/FaceAmt	Intermediary Closing Balance (14digits)
14	Identification	/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/SubBalTp/Prtry/Id	Type of Balance "SC03" (Balance recorded in Book-Entry Transfer Account) "SC04" (Balance recorded in Redemption Account) "SC05" (Balance of Frozen Account)
15	Issuer of the code	/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/SubBalTp/Prtry/Issr	"JSDC" (JASDEC)
16	Balance after Book-Entry Transfer Account Recordation/ Balance after Redemption Account Recordation/ Balance of Frozen Account	/Document/SctiesBalCtdyRpt/BalForAcct/BalBrkdwn/Qty/Qty/FaceAmt	Balance of each account (14digits) Note: #14-16 is set 3times to indicate each account.

Article 68: Prevention of Excess Recording

1. Book-Entry Transfer Institutions, etc., shall manage the Book-Entry Transfer Account Registers maintained by it with utmost care in order to prevent excess recording from occurring.
2. For the purpose prescribed in the preceding paragraph, JASDEC shall check the total amount in JASDEC Participant Accounts of each issue of Corporate Bonds, etc., and the total issue amount (excluding the previously redeemed amount) of such issue of Corporate Bonds, etc., in the Book-Entry Transfer Account Register on a daily basis.
3. For the purpose prescribed in Paragraph 1, each Direct Account Management Institution shall receive notice from JASDEC concerning the amount in the Customer Account of each issue of Corporate Bonds, etc., perform confirmation against the amount in the Book-Entry Transfer Account Register maintained by it, and notify JASDEC of the result thereof pursuant to the provisions of the Rules.