

Recent use of JASDEC's Pre-Settlement Matching System (PSMS)

(BOJ's New Operational Process for JGB Settlement for Foreign Central Banks and International Organizations)

Japan Securities Depository Center, Inc.

About JASDEC's Pre-Settlement Matching System

Discussion purpose only

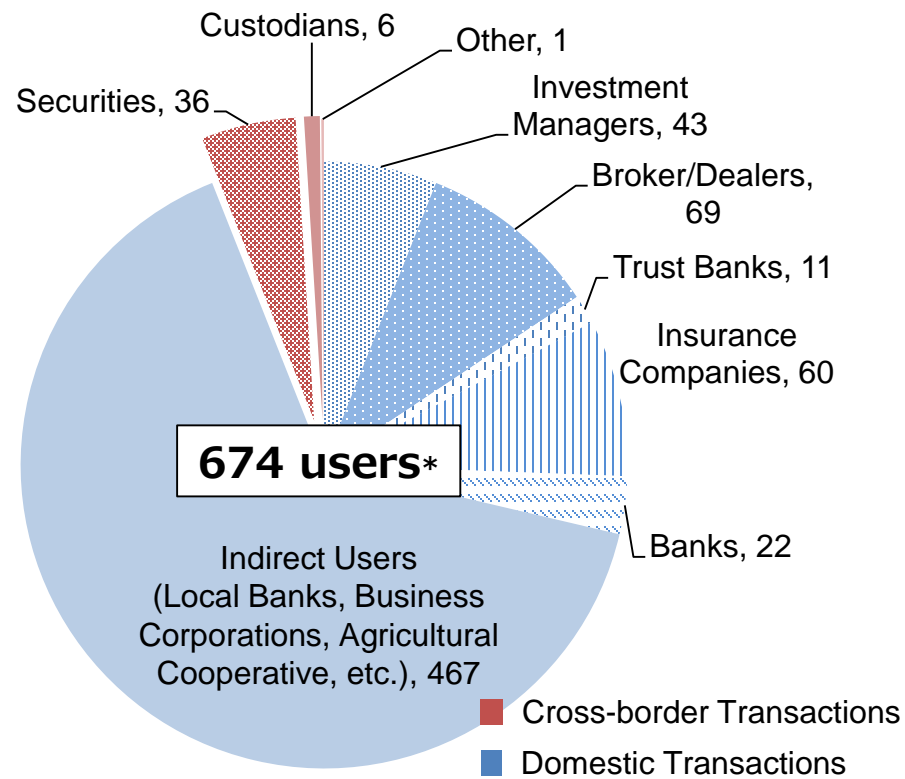


- ◆ JASDEC implemented the PSMS on Sep. 10, 2001.
- ◆ PSMS covers most of wholesale transactions in the Japanese market.
- ◆ A wide range of market participants use PSMS such as investment managers, trust banks, insurance companies and banks.

Scope of Securities

<p>【Domestic Transactions】</p> <ul style="list-style-type: none"> • Stocks, etc. • CB • JGB • Futures/Options • Stock Lending and Borrowing • Corporate Bonds
<p>【Cross-border Transactions】</p> <ul style="list-style-type: none"> • Stocks, etc. • CB • Stock Lending and Borrowing • Corporate Bonds

Number of Users (as of March 2018)



* Of the cross-border transaction users, 41 out of 43 companies use domestic transactions

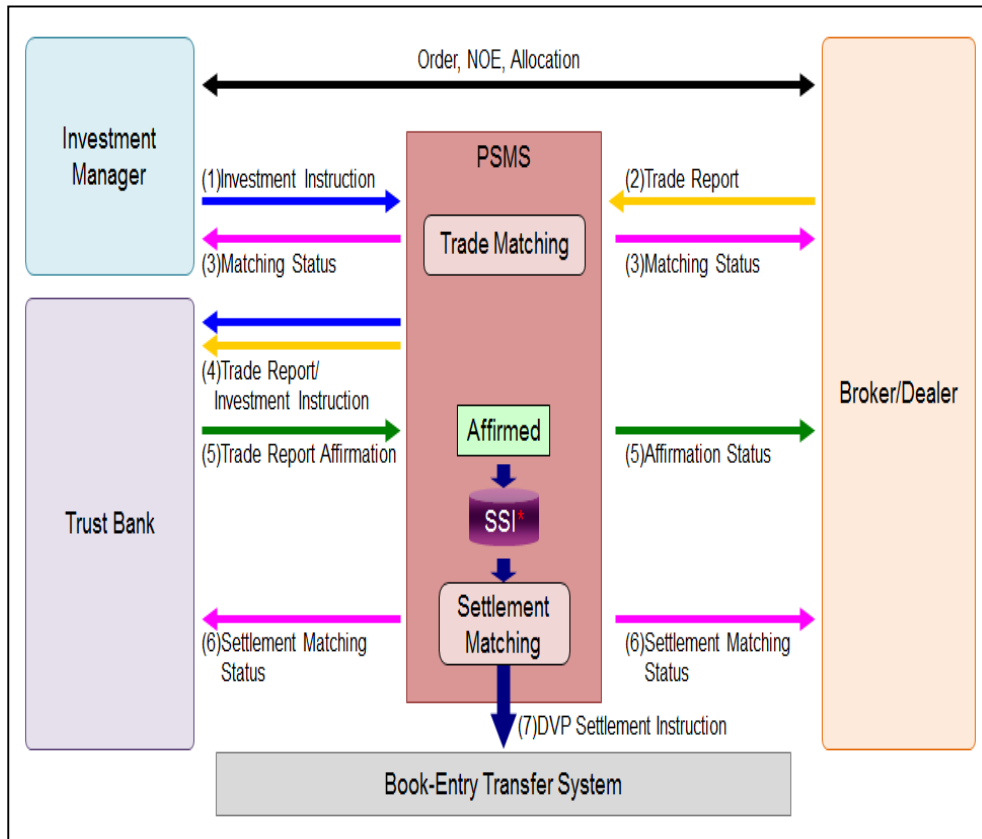
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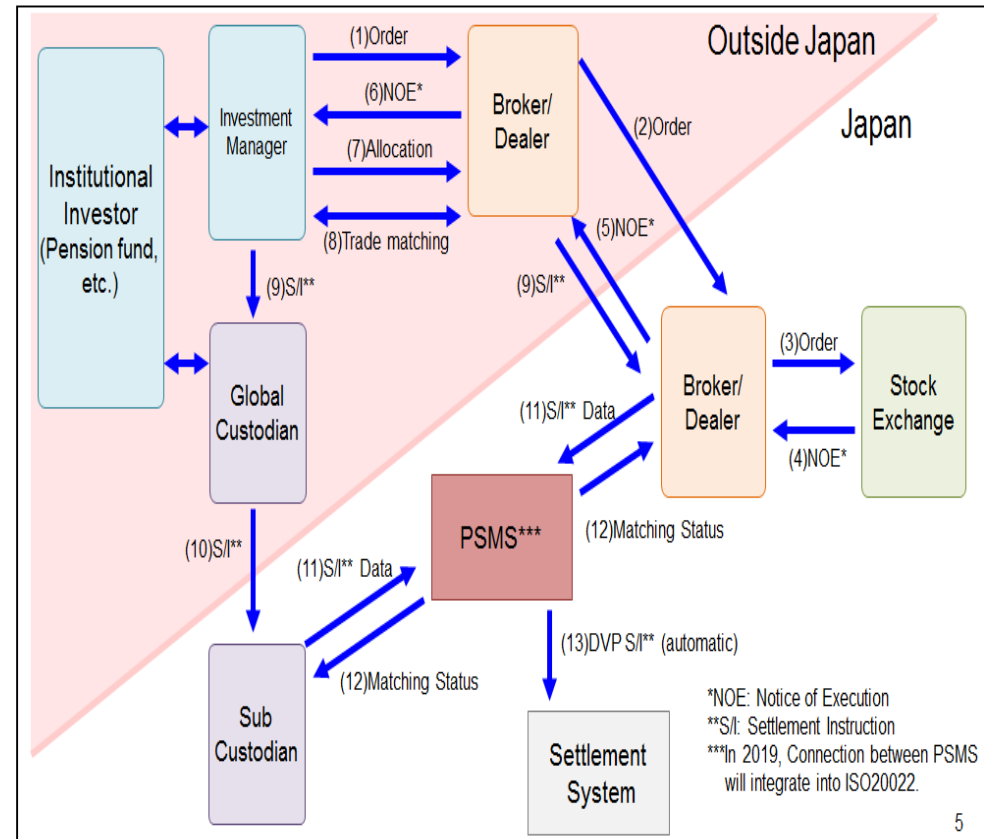


- ◆ PSMS provides a framework for electronic matching on trades and settlements for institutional investor transactions between investment management companies, securities companies, trust banks, custodian banks, etc. This is in order to achieve the seamless, automated processing of all the operations from order through to settlement.

Domestic transaction

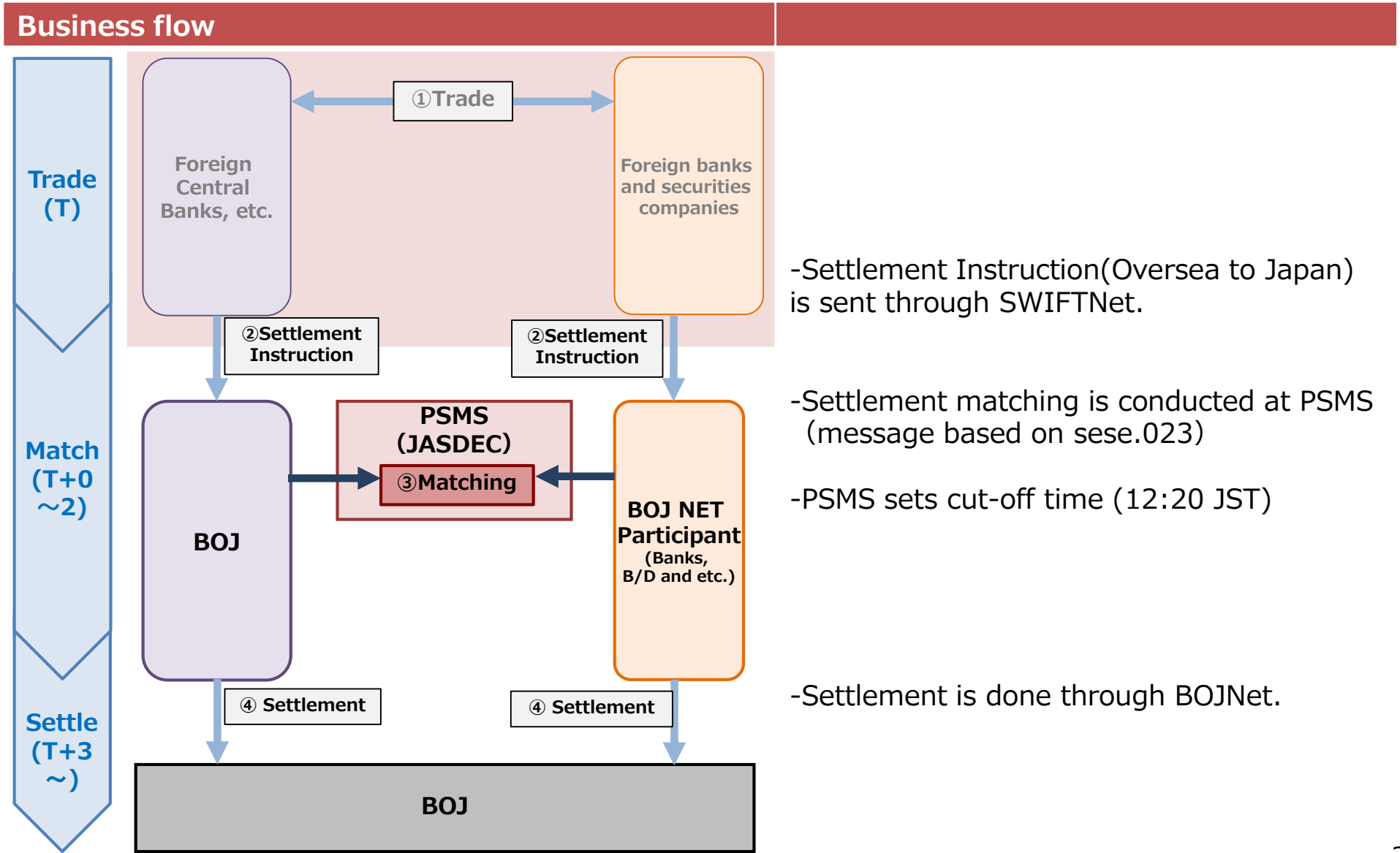


Cross-border transaction



BOJ's JGB custody services to foreign central banks

Discussion purpose only



- Settlement Instruction(Overseas to Japan) is sent through SWIFTNet.
- Settlement matching is conducted at PSMS (message based on sese.023)
- PSMS sets cut-off time (12:20 JST)
- Settlement is done through BOJNet.

Settlement matching criteria for cross-border JGB trade

Discussion purpose only



#	MessageItem	PSMS Matching criteria	
1	CommonIdentification	Settlement Matching Key	
2	SettlementDate	Settlement Date	
3	FinancialInstrumentIdentification	Securities Identification Code	Current choice is ISIN/Proprietary. In 2020, it will be unified to ISIN.
4	SettlementQuantity	Quantity/Face Amount	
5	DeliveringSettlementParties-Party2 or DeliveringSettlementParties-Party3	Seller	
6	DeliveringSettlementParties-Party2-	Delivering Custodian	
7	DeliveringSettlementParties-Party1- Identification	Delivering Settlement Agent	
8	DeliveringSettlementParties-Party1	Receiving Settlement Agent	
9	DeliveringSettlementParties-Party2	Receiving Custodian	
10	DeliveringSettlementParties-Party2 or DeliveringSettlementParties-Party3	Buyer	
11	SettlementAmount-Amount	Settlement Amount	Tolerance matching is available within a range of 100yen.

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Post-Trade Services Department
Japan Securities Depository Center, Inc.

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