# CSDR Art 6

**Article 6(2) of CSDR requires to set up measures to ensure a prompt communication of:**

- **Allocation of securities to the transaction**

- **Confirmation of that allocation**

- **Confirmation of the acceptance or rejection of terms of the transaction**

**1. Investment Manager (Instructing Party i.e. Professional Client)** trades with **Broker (Executing Party)** (*off SWIFT*)

**2. Investment Manager** sends order details to **Broker** in MT 502 (or trading platform)

**3. Broker** sends Advice of Execution to **Investment Manager** in MT 513 *(only applicable in case of Block Trade)*

**4. Investment Manager** sends details of allocations to **Broker** in individual MT 514s *(only applicable in case of Block Trade)*

**5. Broker** sends confirmation to **Investment Manager** for each allocation in individual MT 515s

**6. Investment Manager** local matches  and affirms each confirmation with MT 517 *(only applicable in case of Block Trade)*
- **But in practice, confirmation is implicit and no message is sent**
- **Only in case of discrepancy:** Investment Manager sends MT 509 to Broker

# Message flow



Client / Fund

Investment Mgr
**Instructing Party**

Broker
**Executing Party**

Trade Ctpy

*Order to Buy or Sell*
**MT502**

*Order on the market*

**Market-Side Securities Trade confirmation
MT518**

**Client Advice of Execution
MT513**

**Trade Allocation Instruction
MT514**

**Client Confirmation of Purchase or Sale
MT515**

**Client Confirmation of Purchase or Sale
MT515**

**Trade Confirmation Affirmation
MT517**

**Glossary – Definitions**

**Legal text (CSDR L1, L2) – Business Practice**

- **Trade**
- **Transaction**
- **Order**
- **Execution of order**

**To be completed**