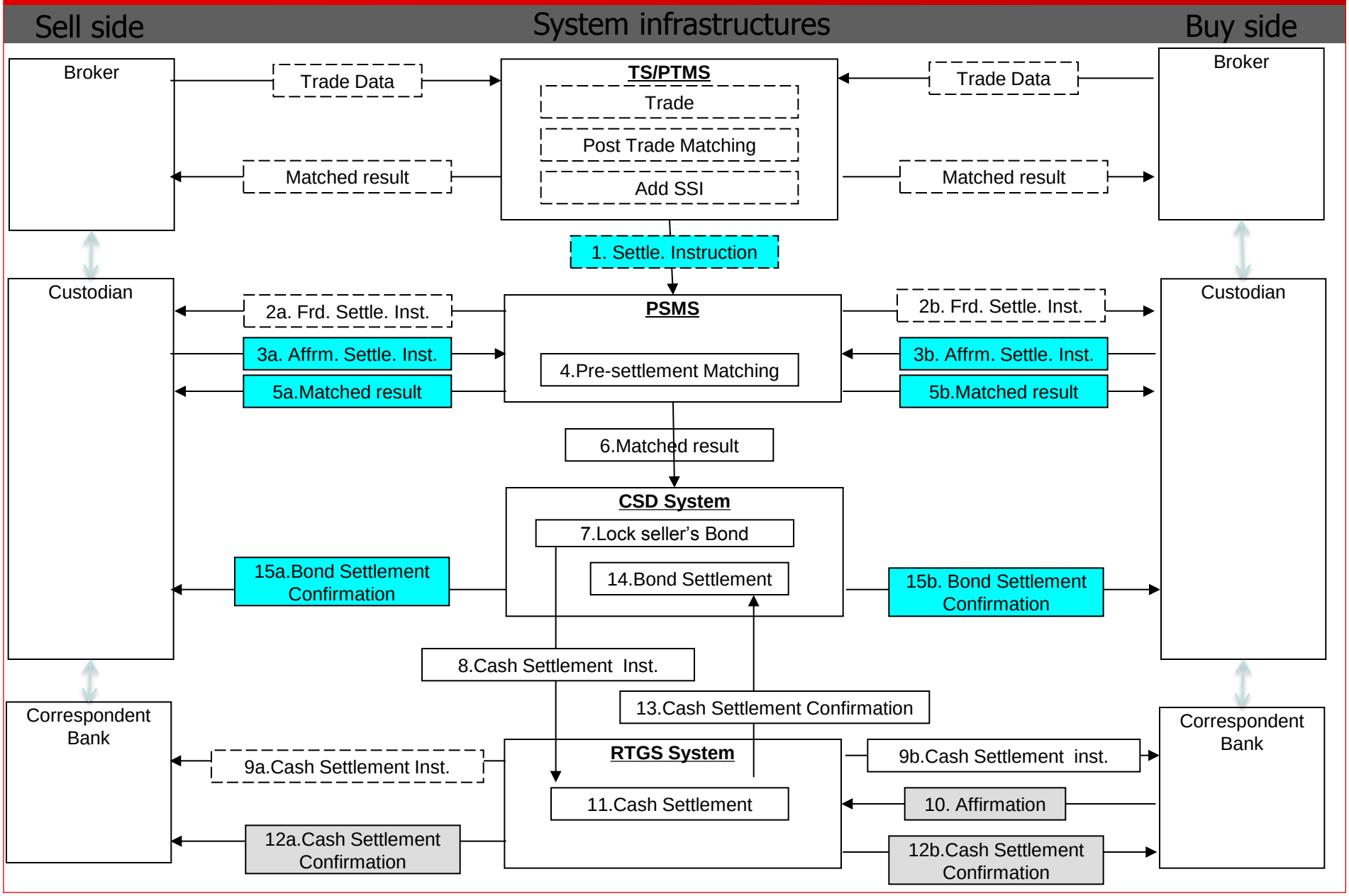
November 2014

RMPG meeting
Asian Bond Market Forum
Update

Bank of Tokyo-Mitsubishi UFJ
Transaction Services Division

Bank of Tokyo-Mitsubishi UFJ
MUFG

Draft of reference DVP Flow (a model to start discussions)



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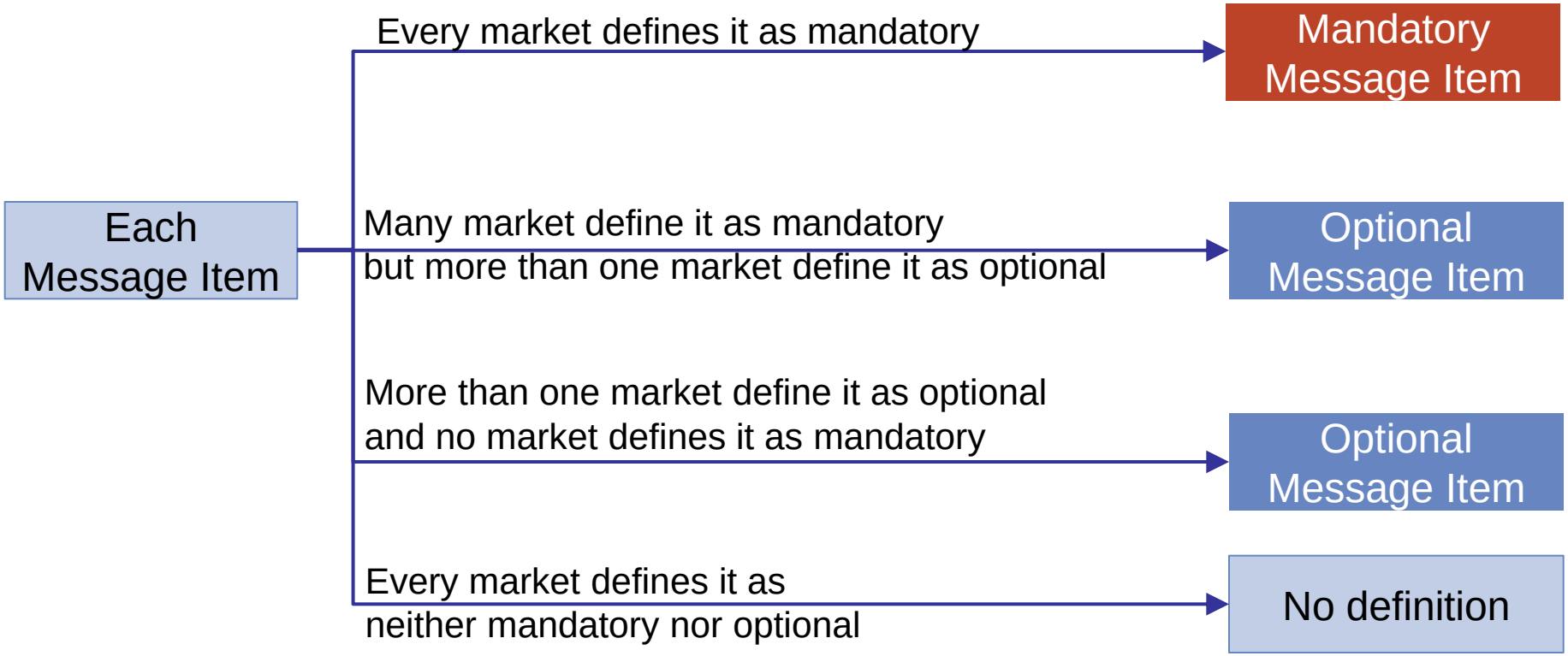
【Source: ADB/ABMF】

A general Concept of Mandatory and Optional in ASEAN+3

SF2 has surveyed message items during phase 1 and 2. Message items in ASEAN+3 are different market by market, CSD by CSD. Followings are basic concept of message items whether it is mandatory or optional.

General Concept for Definition of Mandatory vs. Optional



【Source: ADB/ABMF】

- ABMF SF2 is proposing to standardize the most essential (minimum) message items to effect DVP settlement in ASEAN+3.
  - This does not necessary mean that other message items are not important and do not have to standardize or to be mandatory in each country/economy.

Only essential message items will be discussed (standardized) .

【Source: ADB/ABMF】

ISO15022 and ISO20022

Followings show ISO 15022 and corresponding ISO20022. This table mainly focuses on securities settlement instruction and confirmation.

	ISO15022 Settlement Messages		ISO20022 Settlement Messages	
Settlement Instructing	MT541 Receive against Payment	NEWM	sese.023 Securities Settlement Transaction Instruction	APMT,RECE
Settlement Instructing	MT543 Deliver against Payment	NEWM	sese.023 Securities Settlement Transaction Instruction	APMT,DELI
Settlement Confirmation	MT545 Receive against Payment Confirmation		sese.025 Securities Settlement Transaction Confirmation	
Settlement Confirmation	MT547 Deliver against Payment Confirmation		sese.025 Securities Settlement Transaction Confirmation	
Acknowledge	MT548 Transaction Status Advice		sese.024 Securities Settlement Transaction Status Advice	

Reference:
National Bank of Belgium "NBB-SSS Adaptation Plan to T2S Phase1:Harmonisation and New IT Platform" June 2012

【Source: ADB/ABMF】

Message items for securities settlement instruction sese.023

Message Items	Definition
Transaction Identification	Unambiguous identification of the transaction as known by the instructing party.
Securities Movement Type	Specifies if the movement on a securities account results from a deliver or a receive instruction (such as DELI or RECE).
Payment	Specifies how the transaction is to be settled, for example, separate settlement or against payment (such as FREE or APMT).
Settlement Date	Date and time at which the securities are to be delivered or received.
Financial Instrument Identification	Financial instrument representing a sum of rights of the investor vis-a-vis the issuer (such as ISIN).
Settlement Quantity	Total quantity of securities to be settled (such as face value).
Safekeeping Account	Account to or from which a securities entry is made.
Securities Transaction Type	Identifies the type of securities transaction (such as REPU for repo, TRAD for settlement of trade, etc.)
Delivering Settlement Parties	Identifies the chain of delivering settlement parties (such as BIC).
Receiving Settlement Parties	Identifies the chain of receiving settlement parties (such as BIC).
Debtor and/or Debtor Agent	Party that owes an amount of money to the (ultimate) creditor (such as BIC). Debtor Agent (Financial institution servicing an account for the debtor)
Creditor and/or Creditor Agent	Party to which an amount of money is due (such as BIC). Creditor Agent (Financial institution servicing an account for the creditor)
Settlement Amount	Total amount of securities to be paid or received in exchange for the securities (amount of money in the cash entry).
Credit Debit Indicator	Indicate an entry is a credit or debit (such as CREDIT or DEBIT)
Other item	Please specify any other items by inserting lines.

【Source: ADB/ABMF】

Next issues related to message items

- Standardized message items and instances need to be shared and maintained in ASEAN+3.
  1. Institutional framework handling change requests and business justifications needs to be established from regional perspective.
  2. A tool or product to share the message items and instances is necessary based on the proven technology.
  3. Message items such as trade date, securities transaction type, and depository need to be discussed.

【Source: ADB/ABMF】

Allocation of ISIN for government and corporate bonds in ASEAN+3

•The ANNA recommendations state that the NNAs should allocate ISINs within 24 hours following the request and also making the ISIN available to users at the same time.

	National Numbering Agency (NNA)
CN	China Securities Regulatory Commission
HK	Hong Kong Exchanges and Clearing Ltd.
ID	Indonesian Central Securities Depository (KSEI)
JP	Tokyo Stock Exchange
KR	Korea Exchange
MY	Bursa Malaysia
PH	Philippine Stock Exchange, Inc.
SG	Singapore Exchange Limited
TH	Thailand Securities Depository
VN	Vietnam Securities Depository

【Source: ADB/ABMF】

Message flow harmonization

	CSD	Name of Bond Settlement System	Inst.	Message flow						
				RTGS	DVP	Central bank money	STP	Affirm. & Notific.	PS-match.	Overall
CN	CCDC	CBGS	G/C	Y	Y(2008)	Y	Y	Y	Y	Y
CN	CSDCC	MNS	G/C	N	Y	N	Y	Y	Y	N
CN	SHCH	SHCH-SSS	C	Y	Y	Y	Y	Y	Y	Y
HK	HKMA	CMU	G/C	Y	Y	Y	Y	Y	Y	Y
ID	BI	BI-SSSS	G	Y	Y	Y	Y (2015)	Y	Y (2015)	Y (2015)
ID	KSEI	C-BEST	C	Y	Y	Y (2017)	Y	Y	Y	Y (2017)
JP	BOJ	BOJ-NET JGB Service	G	Y	Y	Y	Y (2017)	Y	Y (2017)	Y (2017)
JP	JASDEC	BETS	C	Y	Y	Y	Y	Y	Y	Y
KR	KSD	SSS/SAFE+	G/C	Y	Y	Y	Y/N	N	N	N
MY	BNM	RENTAS SSTS	G/C	Y	Y	Y	Y (2017)	Y	Y (2017)	Y (2017)
PH	BTr	BTr-ROSS	G	Y	Y	Y	Y	Y	Y	Y
PH	PDTC	PDTC Depository	G/C	Y	Y	Y	Y	Y	Y	Y
SG	MAS	MEPS plus SGS	G	Y	Y	Y	N	Y	N	N
SG	CDP	DCSS	C	Y	Y	Y	Y	Y (2015)	Y (2015)	Y (2015)
TH	TSD	PTI	G/C	Y	Y	Y	Y/N	Y	N	N
VN	VSD	VSD-BES	G/C	Y (201X)	Y (201X)	Y (201X)	Y (201X)	Y (201X)	Y (201X)	Y (201X)

PH: Interface between BTr and its participants are provided by PDS Group. The above information is based on PDS Group. The schedule needs to be confirmed at the ABMF SF2. Information about CN, HK, KR, SG (MAS), and TH need to be updated.

【Source: ADB/ABMF】

International Standard for message items of Securities Settlement System (SSS)

				Standardization of Message items (SSS)								System renewal	
	CSD	Name of Bond Settlement System	Inst.	ISO ISO15022 ISO20022		ISIN (adoption)	ISIN (allocation)	BIC	Charac. Code set	Comm protocol	Overall	Inauguration current system	Reconstruct. period
CN	CCDC	CBGS	G/C	N	Y	Y	Y	Y	Y	Y	Y	-	
CN	CSDCC	MNS	G/C	N	N	N	N	Y	Y	Y	N	Nov. 2011	
CN	SHCH	SHCH-SSS	C	Y	Y	N	N	Y	Y	Y	N	Dec 2011	
HK	HKMA	CMU	G/C	Y	N	Y	Y	Y	Y	Y	Y	Mar. 1990	
ID	BI	BI-SSSS	G	Y	Y (201X)	Y	Y	Y	Y	Y	Y (201X)	Mar 2003	2018
ID	KSEI	C-BEST	C	Y	Y (2016)	Y	Y	Y(2016)	Y	Y	Y(2016)		2016
JP	BOJ	BOJ-NET JGB Service	G	N	Y (2016)	Y (2016)	Y (2016)	Y (2016)	Y	Y	Y(2016)	1990/Jan 2001	FY2015
JP	JASDEC	BETS	C	Y	Y	Y	Y	Y	Y	Y	Y		Jan. 2014
KR	KSD	SSS/SAFE+	G/C	N	N	Y	N	Y	Y/N	Y	N	Nov 2011	
MY	BNM	RENTAS SSTS	G/C	Y (2017)	Y (2017)	Y	Y	Y (2017)	Y	Y	Y(2017)	Jul 1999	2019
PH	BTr	BTr-ROSS	G	Y (2015)	Y (2015)	Y (2015)	Y (2015)	Y (2015)	Y	Y	Y (2015)	Nov 1996	
PH	PDTC	PDTC Depository	G/C	Y (2015)	Y (2015)	Y (2015)	Y (2015)	Y (2015)	Y	Y	Y (2015)	Mar 1995	
SG	MAS	MEPS plus SGS	G	Y	N	Y	Y	Y	Y	Y	Y	Dec 2006	
SG	CDP	DCSS	C	Y (2015)	Y (2015)	Y	Y (2015)	Y (2015)	Y	Y	Y (2015)	-	2015
TH	TSD	PTI	G/C	Y	N	Y	Y	Y	Y	Y	Y	Oct 2007	
VN	VSD	VSD-BES	G/C	Y(2014)	Y(2016)	Y	Y	Y (2016)	Y	Y	Y (2016)	-Jun 2010	May. 2014

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Information about CN, HK, KR, SG (MAS), and TH need to be updated.

【Source: ADB/ABMF】

International Standard for message items of Cash Settlement (RTGS) System

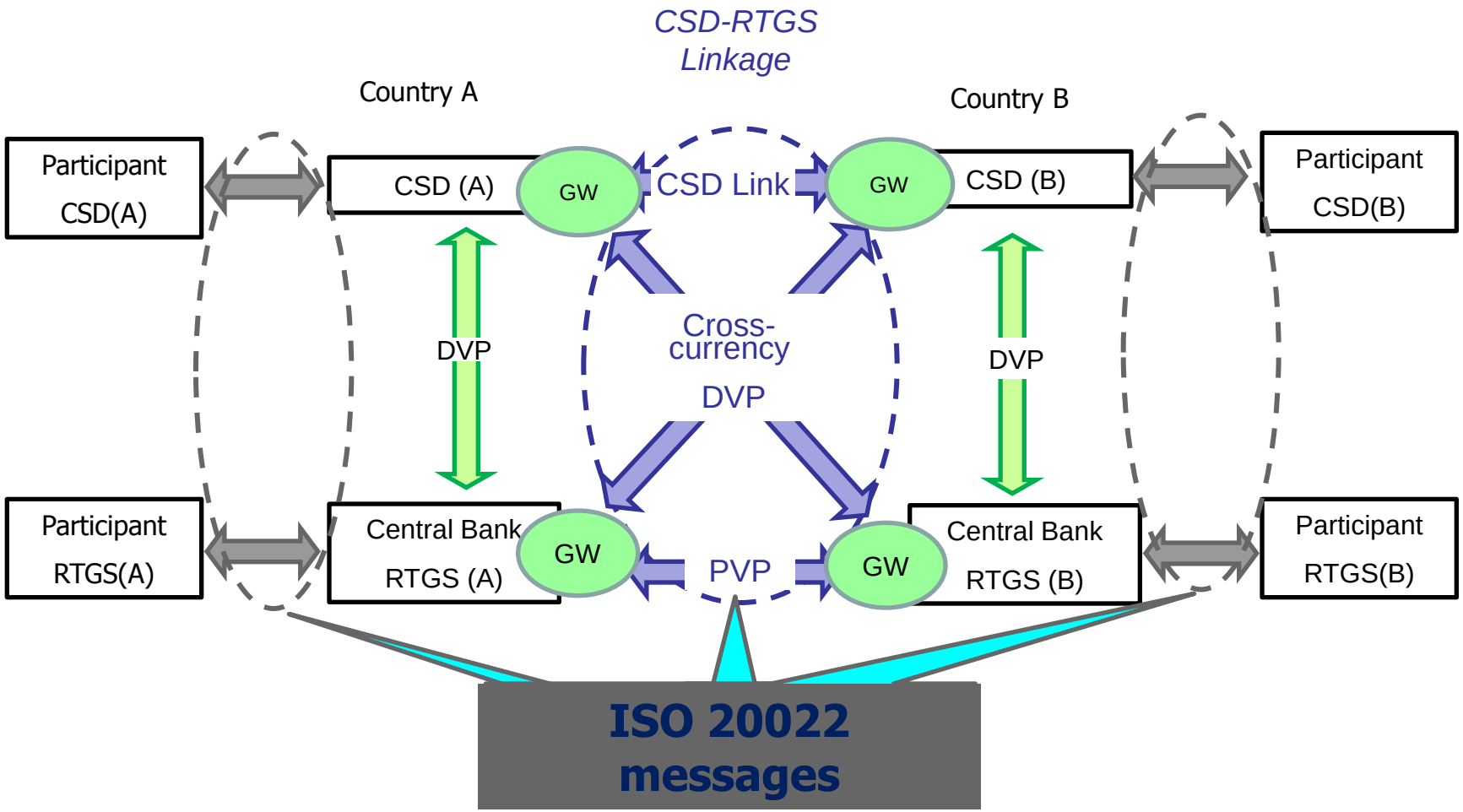
			Standardization of Message Items (RTGS)						System renewal	
	Operator	Name of the System	ISO messages ISO15022 ISO20022		BIC	Char. Code set	Commun. protocol	Overall	Inauguration current system	Reconstruction period
CN	PBOC	CNAPS	N	Y (2014)	Y	Y	Y	Y	Apr 2002	
HK	HKMA	CHATS	Y	N	Y	Y	Y	Y	Dec 1996	
ID	BI	BI-RTGS	Y	Y (201X)	Y (2014)	Y	Y (2014)	Y (201x)	Nov 2000	2015
JP	BOJ	BOJ-NET	N	Y (2016)	Y (2016)	Y	Y	Y (2016)	1987, Nov 2011	FY2015
KR	BOK	BOK-Wire	N	N	Y	Y	Y	N	Apr 2009	
MY	BNM	RENTAS IFTS	Y (2017)	Y (2017)	Y(2017)	Y	Y	Y(2017)	Jul 1999/2004/2011	2017
PH	BSP	PhilPaSS	Y	Y (2015)	Y	Y	Y	Y (2015)	1995/Dec 2002	2015
SG	MAS	MEPS plus	Y	N	Y	Y	Y	Y	Dec 2006	
TH	BOT	BAHTNET	Y	N	Y	Y	Y	Y	Dec 2001/2012	
VN	BIDV		N	N	N	N	N	N	2010	

VN: SBV is planning to be cash settlement operator adopting ISO 20022.

Information about CN, HK, KR, SG (MAS), and TH need to be updated.

【Source: ADB/ABMF】

CSD-RTGS Linkage



Source: CSIF

- Questions & Answers

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