



CSDR and Standards ECSDA

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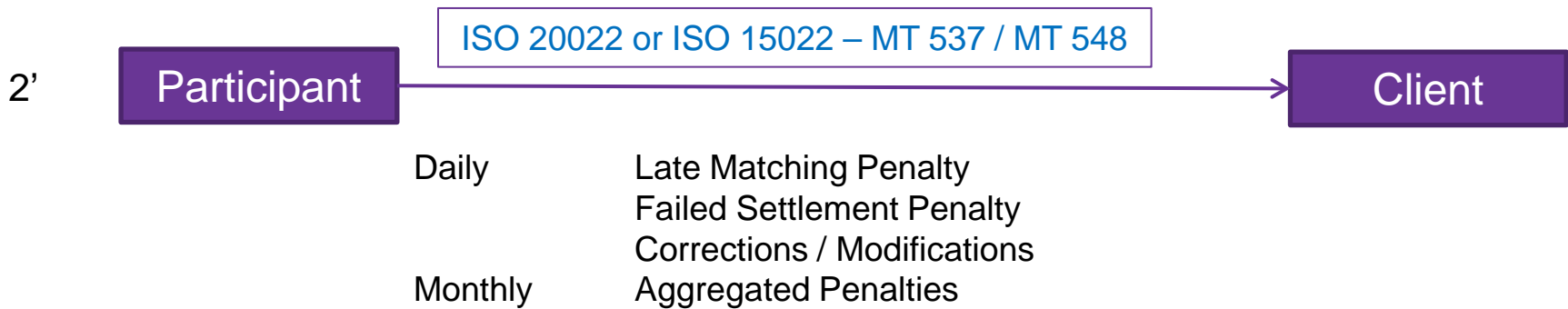
CSDR – Settlement Discipline - Objectives

- **Harmonise the measures to be taken by investment firms and CSDs to prevent the occurrence of settlement fails**
- **CSDs to monitor the number, value and length of settlement fails**
- **CSDs to charge cash penalties to users that cause settlement fails**
- **Introduce mandatory buy-in process and detail rules and steps in the execution of the buy-in process**

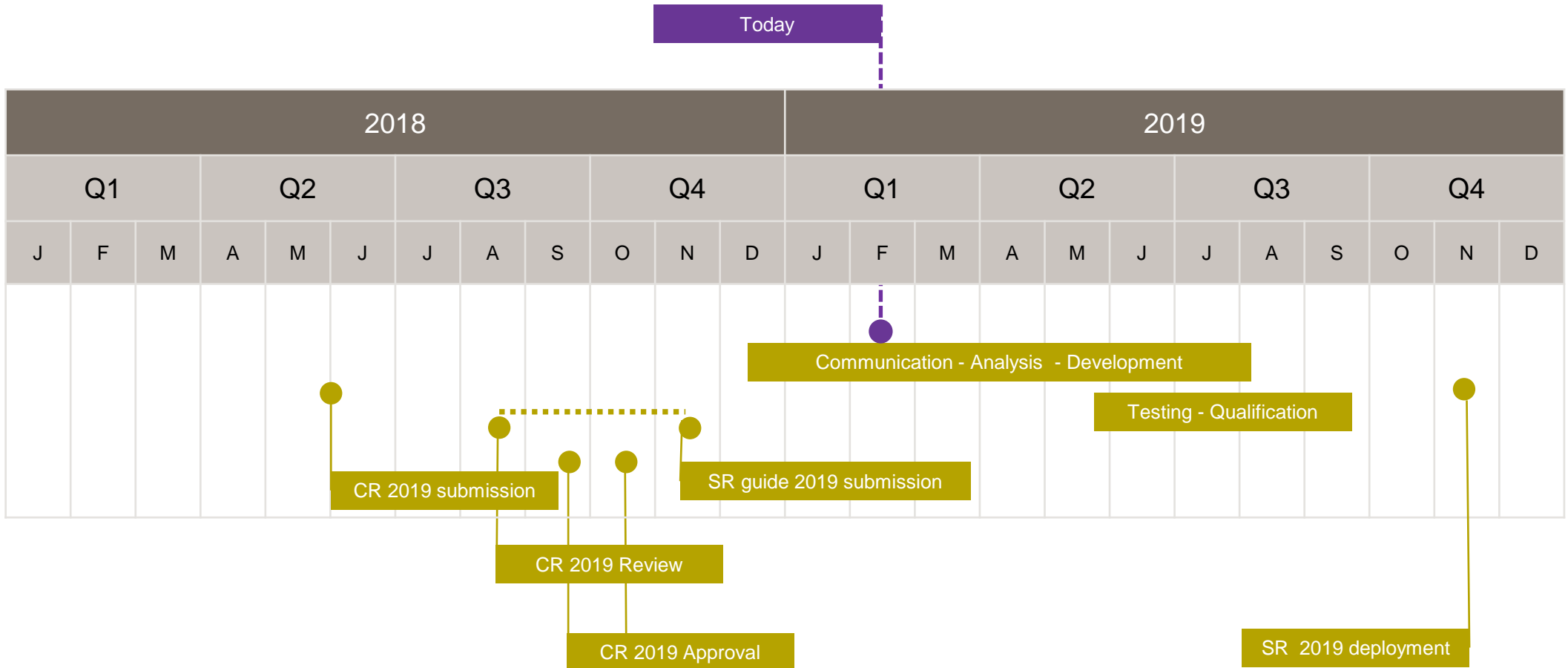


Penalty Mechanism

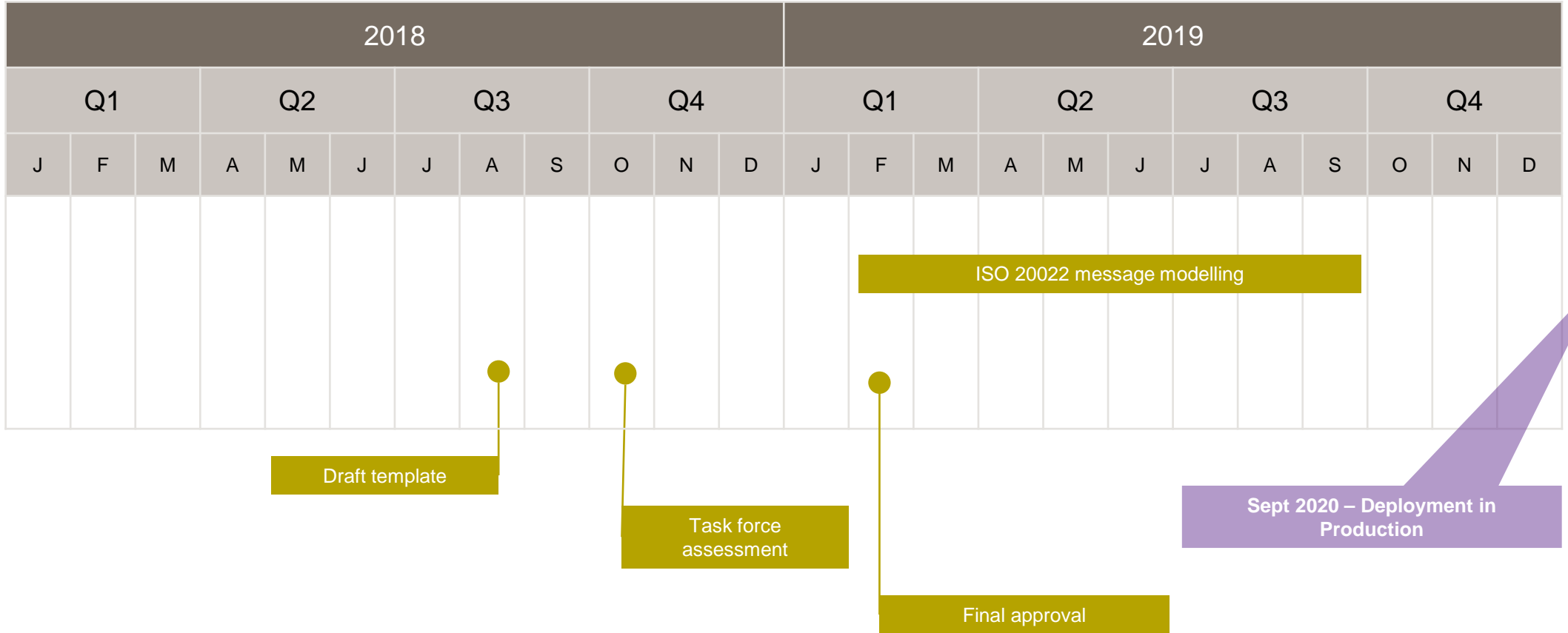




Standards Release timeline



T2S – Penalty mechanism and message development timeline (CR 654)



Change requests

ISO 15022 : MT 537 and MT 548

- Add a Penalty/Penalty Redistribution sequence in the MT 537 Statement of Pending Transactions
- Add a Penalty/Penalty Redistribution sequence in the MT 548 Securities Settlement Status Advice
- New qualifier = PENA (penalties). Sequence mandatory only if sub-function PENA is present
- New sequence used separately from regular use of MT 537 / MT 548
- Content / fields based on expected new ISO 20022 message from T2S

Standards Release Guide

- <https://www.swift.com/standards/standards-releases/mt-release-2019?tl=en#topic-tabs-menu>

My Standards

- [MT 537](#)
- [MT 548](#)



MT 537 – Statement of Pending Transactions

If the Activity Flag (field :17B::ACTI) in sequence A General Information indicates that there is information to be reported, that is, Y and Statement Structure Type Indicator is penalties (field :22H::STST//PENA), then sequence B Status is not allowed and sequence C Transactions is not allowed and sequence D Penalties is mandatory (Error code(s): E66).

Sequence A if field :17B::ACTI is ...	And sequence A field :22H::STST is	Then sequence B is ...	And sequence C is ...	<u>And sequence D is</u> ...
N	STAT	Not allowed	Not allowed	<u>Not allowed</u>
N	TRAN	Not allowed	Not allowed	<u>Not allowed</u>
<u>N</u>	<u>PENA</u>	<u>Not allowed</u>	<u>Not allowed</u>	<u>Not allowed</u>
Y	STAT	Mandatory	Not allowed	<u>Not allowed</u>
Y	TRAN	Not allowed	Mandatory	<u>Not allowed</u>
<u>Y</u>	<u>PENA</u>	<u>Not allowed</u>	<u>Not allowed</u>	<u>Mandatory</u>



GR Code/Format M/O R/N

537	Statement of Pending Transactions (SR2019)			
>	General Information (A)	GENL	M	N
>	Status (B)	STAT	O	R
>	Transactions (C)	TRANS	O	R
▼	Penalties (D)	PENA	O	R
	16R Start of Block	PENA	M	N
>	69a Period		O	N
>	22F Indicator	:4!c/[8c]/4!c	M	N
>	95a Party		O	R
▼	Penalties per Currency for a Party (D1)	PENACUR	O	R
	16R Start of Block	PENACUR	M	N
>	11A Currency	:4!c//3!a	O	N
>	98a Date/Time		O	N
>	95a Party		M	R
>	22F Indicator	:4!c/[8c]/4!c	M	N
>	19A Amount		O	R
>	Penalties per Counterparty (D1a)	PENACOUNT	O	R
>	70E Narrative	:4!c//10*35x	O	N
	16S End of Block	PENACUR	M	N
>	70E Narrative	:4!c//10*35x	O	N
	16S End of Block	PENA	M	N
>	Additional Information (E)	ADDINFO	O	N
>	Network Validated Rules			

Display full width

537 Statement of Pending Transactions (SR2019)

MT 537 Scope

This message is sent by an account servicer (account servicing institution) to an account owner or its designated agent. The account servicer may be a local agent (sub custodian) acting on behalf of their global custodian customer, or a custodian acting on behalf of an investment management institution or a broker/dealer.

This message is used to provide, as at a specified time, the details of pending increases and decreases of holdings, for all or selected securities in a specified safekeeping account, for all or selected reasons why the transaction is pending.

The statement may also include future settlement or forward transactions which have become binding on the account owner.

This message may also be used to respond to a request for statement/status advice, that is, the MT 549 Request for Statement/Status Advice and to report that there are no pending transactions.

In the framework of a settlement penalties regime, the message can be sent by a market infrastructure or an account servicer to an account owner or its designated agent to provide the details of the penalties calculated on instructions that matched or settled late. In this case, the instructions referred to in the report may no longer be pending at the moment of reporting.





▼ ⓘ Penalties per Counterparty (D1a)	PENACOUNT	O	R
ⓘ 16R Start of Block	PENACOUNT	M	N
> ⓘ 95a Party		M	R
> ⓘ 22F Indicator	:4!c/[8c]/4!c	M	N
> ⓘ 19A Amount	:4!c//[N]3!a15 d	M	N
▼ ⓘ Penalty Details (D1a1)	PENDET	O	R
ⓘ 16R Start of Block	PENDET	M	N
> ⓘ 20C Reference		M	R
▼ ⓘ 22F Penalty Type Indicator	:4!c/[8c]/4!c	M	N
▼ ● Penalty Type [PNTPT]	1 :4!c/[8c]/4!c	M	N
▼ ⓘ 22F	:4!c/[8c]/4!c		
ⓘ Qualifier	4!c	M	N
ⓘ Data Source Scheme	8c	O	N
▼ ⓘ Indicator	4!c	M	N
◆ Late Matching Fail Penalty	LMFP		
◆ Settlement Fail Penalty	SEFP		
> ⓘ 17B Amount Computed Flag	:4!c//1!a	O	N
> ⓘ 25D Status Code	:4!c/[8c]/4!c	O	N
> ⓘ 24B Reason Code		O	R
> ⓘ 70D Status Narrative	:4!c//6*35x	O	N
> ⓘ 19A Amount	:4!c//[N]3!a15 d	M	N
> ⓘ 22F Calculation Method Indicator	:4!c/[8c]/4!c	M	N
> ⓘ 99B Number Days	:4!c//3!n	M	N
> ⓘ Calculation Details (D1a1A)	CALDET	O	R
> ⓘ 70E Narrative	:4!c//10*35x	O	N
ⓘ 16S End of Block	PENDET	M	N

Indicator must contain one of the following codes (Error code(s): K22):

<u>LMFP</u>	<u>Late Matching Fail Penalty</u>	<u>Applies from the intended settlement date until the matching date. The penalty is charged to the participant who was last to enter or modify the relevant settlement instruction (for example, "accepted timestamp" is later than the one of the counterparty's instruction) for the periods between the ISD and the day of matching of the instruction.</u>
<u>SEFP</u>	<u>Settlement Fail Penalty</u>	<u>Penalties apply to instructions that fail to settle on the intended settlement date. A settlement instruction that "fails to settle on that business day" must be understood as a settlement instruction that is not cancelled and remaining to be settled, fully or partially, by the time of the end of processing of the relevant cut-off.</u>

QUALIFIER

(Error code(s) : T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	M	CODE	N		"F"	Complete/Updates Indicator

DEFINITION

This qualified generic field specifies:

CODE	Complete/Updates Indicator	Specifies whether the statement is complete or contains changes only.
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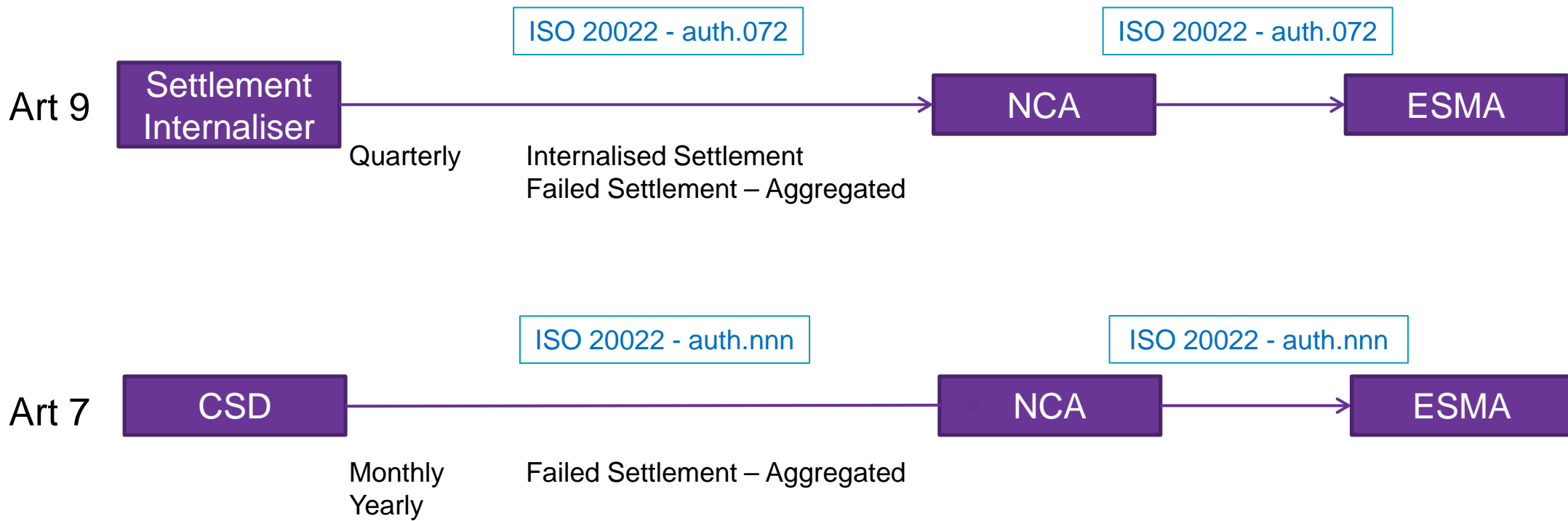
CODES

If Data Source Scheme is not present, "Indicator" must contain one of the following codes (Error code(s) : K22):

CURR	Current	It is used by those securities settlement systems that report the new penalties and the modified penalties in one single message/report.
FWAM	ForwardAmend	The message is used to report a penalty list that has been amended (that is the penalty list contains only updated and/or removed penalties that have already been previously reported in a FWIS Penalty List).
FWIS	Forward Initial Submission	The message is used to report a Daily Penalty List created for the first time (that is the penalty list contains only new computed penalties).

Reporting





🔒 Settlement Internaliser Report V01 (auth.072.001.01)

▼ General Information

This section describes general information about this repository item.

Name	SettlementInternaliserReportV01
Documentation	<p>The SettlementInternaliserReport message is sent by the settlement internalisers to the relevant competent authority to report aggregated information on all securities transactions that they settle outside securities settlement systems, on a quarterly basis. The report contains aggregated information on the value and volume of all internalised settlement instructions (settled and failed) that have been performed during the period covered by the report, for financial instruments, types of transactions, types of clients and cash transfers.</p> <p>Usage: This report may be used by settlement internalisers to provide aggregated information (volume and value) on internalised settlement instructions (settled and failed) to their competent authorities.</p>
Prefix	
Message Definition Identifier	auth.072.001.01
XML Tag	SttlmIntlrRpt
Purpose	
Root Element	Document

▶ CMP Information

▼ Registration Information

Registration Status

Removal Date

Auth.072.001.01

- Report Header [1,1] : SettlementInternaliserReportHeader1
 - Creation Date Time [1,1] : ISODateTime
 - Reporting Date [1,1] : ISODate
 - Currency [1,1] : ActiveCurrencyCode
 - Report Status [1,1] : TransactionOperationType4Code
- Settlement Internaliser [1,1] : SettlementInternaliser1
 - Identification [1,1] : SettlementInternaliserIdentification1
 - LEI [1,1] : LEIIdentifier
 - Responsible Person [1,1] : ContactDetails4
 - Country [1,1] : CountryCode
 - Branch Identification [0,1] : Exact2UpperCaseAlphaText
 - Overall Total [1,1] : InternalisationData1
 - Aggregate [1,1] : InternalisationData2
 - Settled [1,1] : InternalisationDataVolume1
 - Volume [1,1] : Max20PositiveNumber
 - Value [1,1] : Max20PositiveDecimalNumber
 - Failed [1,1] : InternalisationDataVolume1
 - Total [1,1] : InternalisationDataVolume1
 - Failed Rate [1,1] : InternalisationDataRate1
 - Financial Instrument [1,1] : SettlementInternaliserFinancialInstrument1
 - Transaction Type [1,1] : SettlementInternaliserTransactionType1
 - Client Type [1,1] : SettlementInternaliserClientType1
 - Total Cash Transfer [1,1] : InternalisationData1
- Issuer CSD [1,*] : IssuerCSDReport1
 - Identification [1,1] : IssuerCSDIdentification1
 - Overall Total [1,1] : InternalisationData1
 - Financial Instrument [1,1] : SettlementInternaliserFinancialInstrument1
 - Transaction Type [1,1] : SettlementInternaliserTransactionType1
 - Client Type [1,1] : SettlementInternaliserClientType1
 - Total Cash Transfer [1,1] : InternalisationData1
- Supplementary Data [0,*] : SupplementaryData1





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