

ISDA®

International Swaps and Derivatives Association, Inc.

STANDARD SETTLEMENT INSTRUCTIONS

REPOSITORY

Best Practice Requirements

August 2010

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1 REVISION HISTORY

This section tracks all major revisions to this document.

Version	Date	Author	Comments
FINAL	11/08/2010	K Lowrie	FINAL

2 PROBLEM STATEMENT

There is a lack of automation in the exchange of Standard Settlement Instruction (SSI's) between Clients, Brokers and Custodians within the community. Though a number of delivery methods and repositories are used, SSI information is inconsistently populated, stored and utilized.

3 DOCUMENT PURPOSE

The purpose of this document is to specify the requirements that will standardise the formatting and exchange of SSI information within SSI Repositories.

The objective is to influence Market participation of SSI repositories, increase Straight Through Processing and reduce Call Backs & Settlement fails.

4 SCOPE

All Products across all markets that use Standard Settlement Instructions are deemed to be in scope. Phase 1 of this initiative will focus on FX and FX Derivatives, with other products to follow.

5 STANDARD SETTLEMENT INSTRUCTIONS

Standard Settlement Instructions (SSI's), refer to a Legal Entities Settlement Instruction for which key information remains the same from one cash settlement to another (i.e., bank, account number and account name), with only the amount and value date modified.

Each instruction and any subsequent update to it should have an unique instruction identifier.

6 SSI REQUIREMENTS

6.1 Formatting

- SSI's are input and formatted to Swift Standards
- An SSI formatting Guide and/or On-line Help facility is made available to assist users

6.2 Templates

- Templates are utilized for each Legal Entity, Product and Currency
- Settlement Instruction fields within each template are listed in logical order to match the

fields needed to generate product specific payment messages. i.e. FX Financial Instruction SSI's MT202 message

- SSI's fields within the template indicate the corresponding Swift field that will be populated
- One template will be maintained per Legal Entity, Fund, Product & Currency combination
- Duplicate records can not be created
- Templates are utilized at a Custodian, Legal Entity / Fund level
- Mandatory fields are validated and highlighted
- Field descriptions are available
- Data fields that have been amended are identified
- Templates are activated, updated and published immediately after verification
- A copy facility is available to create new SI's

6.3 Mandatory Fields - FX Example

1. SSI Type – New, Cancel or Amend
2. Product Type(s)
3. Currency
4. Effective Date
5. Legal Entity Name, / Fund Name & I.D. and where applicable Swift BIC
6. Intermediary Bank Details (where applicable)
7. Correspondent / Clearing Bank Details
8. Account With Institution / Beneficiary Bank Details
9. Beneficiary Details (must equal the Legal Entity, Fund Name)
10. Payment Method Indicator i.e. Cover Payment / Pre Advise

6.4 Validation

All SSI information entered is validated against:

- Swift Standards & BIC Code (11 digits)
- Latest Industry changes i.e. Regulatory Requirements such as IBAN
- Validation to include the correct use and length of data populated within each field
- Validation rules are updated immediately after any Industry changes are implemented

6.5 Authentication

SSI's that are manually input or amended are subject to dual controls (Input and Verify) by two individuals and where published, distributed or retrieved, deemed to be authenticated.

This includes SSI's that are uploaded from any host system into an SSI repository.

6.6 Upload / Import Facility

- SSI's from host systems in various formats can be securely uploaded into an industry standard format / template
- Multiple SSI Types per Legal Entity can be uploaded
- SSI's are verified during an upload facility
- SSI's can be prioritised

6.7 Download / Export Facility

- Available in industry standard format i.e. HTML, Java script, Active X, XML, etc.
- Can be interfaced with host systems
- Real time feed for all SSI Types
- SSI Summary Reports by Legal Entity, Product and Currencies
- Adhoc SSI reports

6.8 Recertification

- Inactive SSI templates are purged and deleted.
- An audit trail captures SSI templates that are recertified, purged and deleted.

6.9 Search Facility

- Users are able to perform SSI searches by Legal Entity Name, Fund Name or Fund I.D. Product and Currency
- Ability to assign search names to fund names
- Ability to map Legal Entity/Fund Names to host system Client I.D's

6.10 Reports

Various SSI reports can be created and generated such as

- Summary Reports by Legal Entity, Product and Currencies
- SSI's report by User
- New / Amended / Deleted SSI's reports
- MIS Reports

6.11 Audit Trail

An audit trail will capture the following information:

- User Actions Input, Amended, Deleted, Verified, Uploaded etc.
- Date & Time
- User I.D. / Name

6.12 Archiving

Inactive / Deleted SSI are available on line for a minimum period of 18 months after which they will be purged in an archive state for a further period of 7 years prior to being deleted.

6.13 Notification

A minimum period of at least two weeks prior to an Effective Date should be given as notice for all SSI changes.

6.14 User Access

- Secure On line User Access is available via a General User Interface (GUI)
- User Access is controlled and restricted via system administrators
- A regular User Recertification process is performed

7 Liability

The Legal Entity responsible for the maintenance and publication of their SSI's, will not submit any late payment interest claims if their SSI information has been incorrectly maintained and/or published in error.



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8 Contact Information

Authorised Operations Contacts for each Legal Entity are made available within SSI repositories

Contact Information to include as a minimum:

- Group / Contact Names
- Group / Telephone Number
- Group / E-mail Address
- Group / Fax Number
- Escalation Contacts



International Swaps and Derivatives Association, Inc.

List of Participating Organisations

Barclays Capital
BNP Paribas
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Deutsche Bank
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