Clearstream
Vestima Trading Limits

Product information

Manage your risk by setting order limits

Key benefits

Vestima Trading Limits allows you to
– Optimise risk management
– Control trading activity with no impact on automation
– Avoid costly errors
– Limit potential exposure

Managing risk in trading activity is becoming increasingly important in light of the growing market volatility and the complexity and diversity of investment funds. Tight control on order size and total outstanding trading volume is crucial in avoiding costly errors and limiting potential exposure.

Full control on trading activity

Vestima Trading Limits enables order issuers to set limits on individual order sizes and total order volume outstanding without impacting automation or dealing with deadline offsets. Trades failing the limit check will become subject to additional approval/verification by the order issuers before being released to the market. Order issuers are therefore in full control of setting their limits and releasing or cancelling orders that exceed the limit.

Vestima Trading Limits covers all orders and is independent of the chosen connectivity method or the place of trade (primary or secondary market).

Two different trading limits can be set in EUR independently of each other:
– Single order limit: Limit on individual order size applied to
   – Subscription (buy) only
   – All orders

– Total order limit: Limit on total outstanding order volume applied to
   – Subscription (buy) only
   – Subscription (buy) less redemption (sell)
   – Subscription (buy) plus redemption (sell)

The order is taken into consideration until
– Confirmation
– Settlement
– End of day

Order management

You can set your limits via the Vestima browser. Trades failing the limit check are advised via your chosen connectivity media. An overview of all trades having failed a limit is available via the Vestima browser as well as via a monitoring tool to query on limits, limit usage and remaining limit.

Order issuers using the browser can decide on a dedicated screen which limit failed orders are to be released. The handling of exceptions (limit failed orders) is optimised to the highest possible degree to help customers quickly (bulk) release (or cancel) correct (or incorrect) orders.

Order issuers using SWIFT (ISO 15022, 20022) can manage the release of failed orders in STP. An order that has been rejected as trading limit failed can be resent using a flag to "override" the trade limit checking.

Vestima Trading Limits
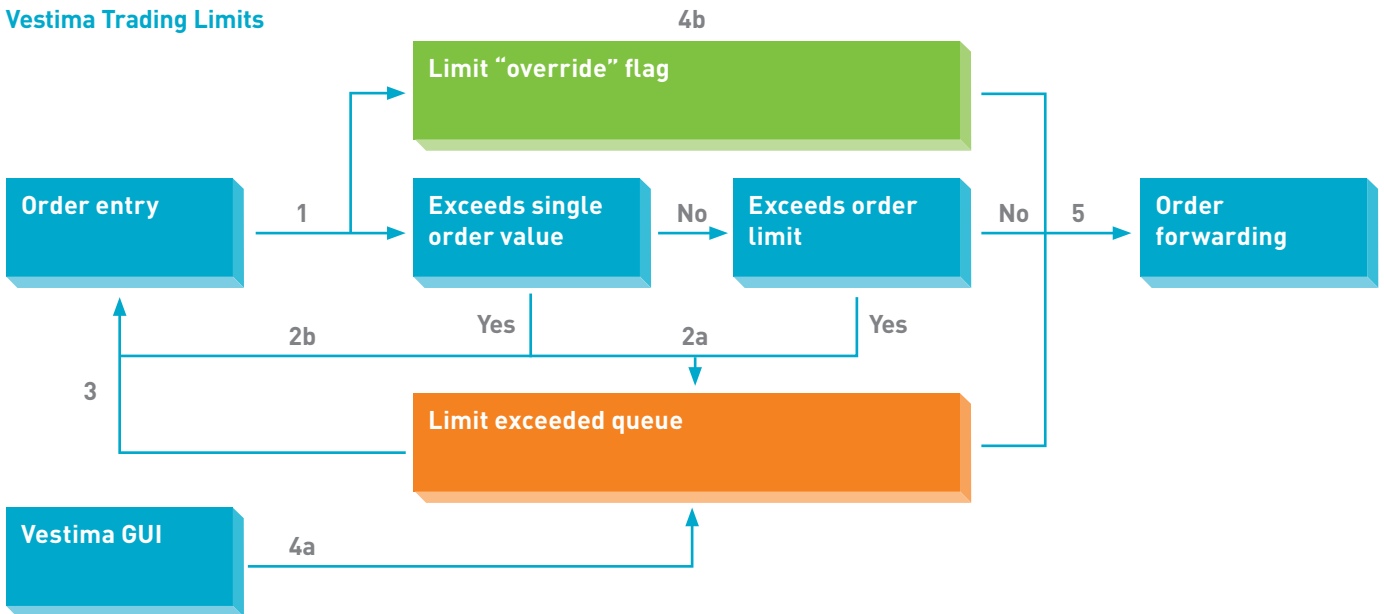
a Browser
b STP

1 All orders (all channels) received in Vestima are checked
2a Orders exceeding a limit are routed to a limit exceeded queue
2b Orders exceeding a limit are rejected
3 Order sender receives a "limit exceeded"/"rejection on limit" status message

4a Orders can be "released" through the Vestima GUI
4b Orders can be (re)sent to "override" the limit checking
5 Orders within limits, "override" and "released" are forwarded (time-stamp)

Master Participants

Master Participants can configure different trading limits per participant. A Trade Limit Master screen allows them to have an overview per participant of the various limits, limit usage, remaining limits and number of failed orders.

Key features

– Single order and total order limits available
– Flexibility in choosing the applicable calculation basis and period
– Independent of chosen Vestima connectivity channel

Getting started

Contact your relationship manager and request a subscription to Vestima Trading Limits.

Contact information

For further information please contact our dedicated IFS team:

ifs@clearstream.com
www.clearstream.com

Luxembourg +352-243-32555
Frankfurt +49-(0)69-211-32555
Hong Kong +852-2530-7419