

# Securities Lending and Borrowing

## **Automated Securities Lending Programme Lending Limits File Transfer User Guide**

June 2004



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## Lending Limits File Transfer facility

### Introduction

This User Guide describes the procedures for the Lending Limits File Transfer facility that can be used in conjunction with Clearstream Banking's Automated Securities Lending programme (ASL).

This user guide is intended for lenders that participate in ASL who wish to restrict their portfolio on an automated basis.

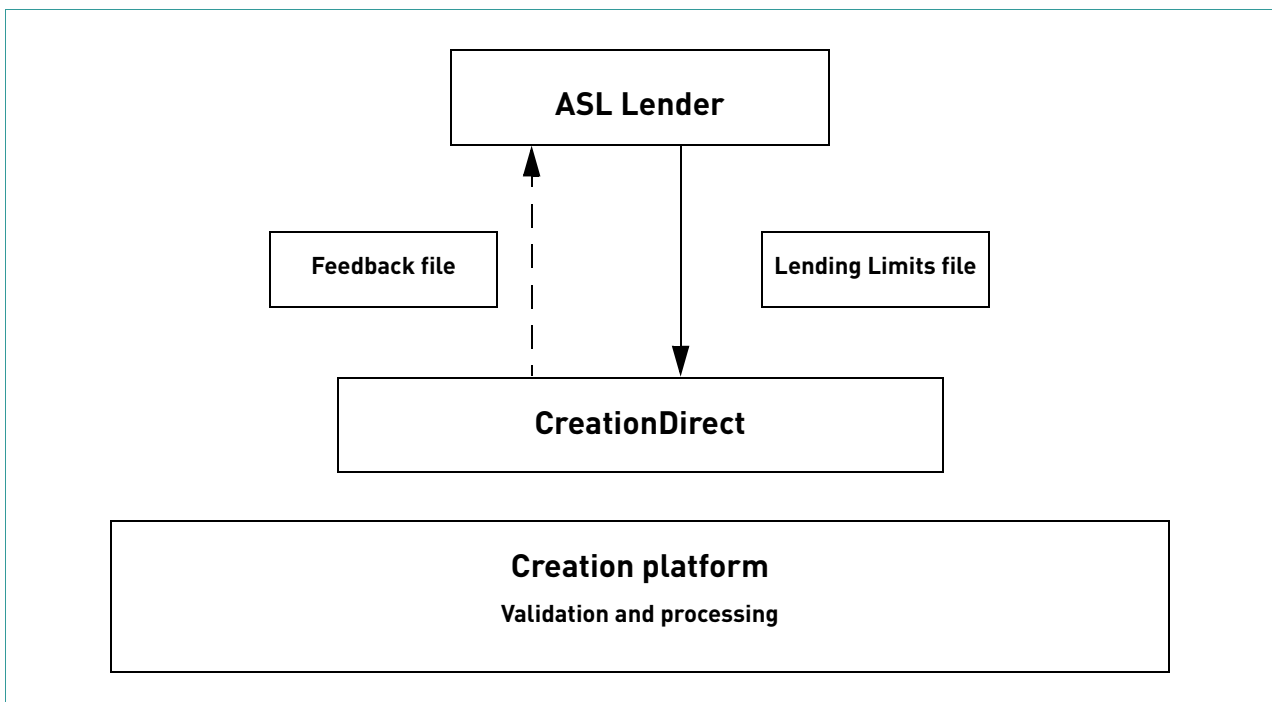
Please note that all times shown in this guide are Central European Time (CET) unless stated otherwise.

### Overview

This facility provides ASL lenders with an automatic way of updating their Lending Limits and is effective for the lenders who have a mixture of proprietary and customer assets.

To use this facility, the lender creates a file (the Lending Limits file) containing a list of security codes and associated nominal values, which is transferred using CreationDirect via Virtual Private Network (VPN) to the Creation platform for validation and processing.

A feedback file is sent to the lender after the data has been validated as shown in the diagram below:



## Features and benefits

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The Lending Limits facility is:

- **Straightforward**

It enables lenders to maintain one account in Clearstream Banking with a mix of proprietary and customer assets.

- **Simple to use**

All you need to do is to send a formatted Lending Limit file to Clearstream Banking using CreationDirect via VPN.

- **Efficient**

By automating the process, customers see their new Lending Limits applied to the next processing date thereby avoiding input error.

- **Secure**

CreationDirect via VPN is a fully authenticated, highly secure and reliable communication channel.

To take advantage of the Lending Limits facility, you need to be subscribed to CreationDirect via VPN. Please contact your Relationship Officer or the Connectivity Help Desk as shown in [“Contact details”](#) on page 7.

## Using the Lending Limits facility

### Creating the Lending Limits file

Lenders create their Lending Limits file as described in "[Formatting the Lending Limits file](#)" on page 5.

The Lending Limits file must be received by Clearstream Banking between 06:00 and 16:00 on the business day before the lender wants to update their limits.

Each nominal amount in the Lending Limits file becomes the Lending Limit for that security code. The Lending Limit is processed as a gross figure for that security code. The limits sent by the lender become the new Lending Limits per security code for the next business day.

If the new Lending Limits are greater than the existing loans (if any), the new Lending Limits are considered as extra liquidity in addition to those existing loans as at the end of the daytime processing (DTP) on the day received.

**Note: To recall the securities, the lender must set the nominal amount to zero for that security code in the Lending Limits file.**

#### Examples

Consider the following three scenarios where the Lending Limit sent on D-1 (where D is the processing day for the limits) is set to 1,000,000.

1. There are no existing loans.
  - New loans can now be opened up to a value of 1,000,000.
2. There are existing loans of 600,000.
  - New loans can now be opened up to a value of 400,000 ( $1,000,000 - 600,000 = 400,000$ ).
3. There are existing loans of 1,200,000.
  - 200,000 must be substituted or recalled ( $1,000,000 - 1,200,000 = -200,000$ ).

### Sending the Lending Limits file to Clearstream Banking

CreationDirect via VPN is an automated system to system interface that allows the transfer of transaction files and links any back-office system to Clearstream Banking via a Virtual Private Network (VPN).

Before sending the Lending Limits file for the first time to Clearstream Banking, please contact your Connectivity Officer (see "[Contact details](#)" on page 7) for advice on how to optimise CreationDirect via VPN to meet your specific requirements.

When ready, send the file from your personal computer, mainframe or UNIX work station to Clearstream Banking as described in "[Appendix A. Using a process to send the Lending Limits file](#)" on page 8.

## Checking the Feedback file

After validation, a Feedback file is sent to the lender using CreationDirect via VPN. This Feedback file lists any errors detected in the Lending Limits file.

If there are any errors, the lender can either:

- **Resend the Lending Limits file updated with the appropriate corrections.**

Do **not** send just the corrections - the complete file must be resubmitted and not just a file with the corrected rows. The file will be validated and a new Feedback file will be sent and any remaining errors must be corrected if necessary.

- **Not resend the Lending Limits file.**

In this case, all the valid Lending Limits on the Lending Limits file become effective on the processing date.

Any limit which is rejected from the file will have the default limit set. The default is set to zero unless stated otherwise by the customer.

If the complete file is rejected and no other file is submitted, the previous day's limits will be used.

## Error messages

The following table lists possible errors and appropriate corrective actions. Please refer to ["Formatting the Lending Limits file"](#) on page 5 to find out how to correct formatting errors.

Error message	Meaning
Check Sum Not Matching	The number of Lending Limits rows does not match the number given in the Checksum row.
Date Not Matching	Date does not match the processing date
Invalid Account	Account number requires five digits, e.g. 12345.
Invalid Amount	The nominal amount is invalid.
Invalid Customer	Your account is not valid or inactive.
Invalid Date	The processing date is incorrectly formatted.
Invalid File Format	File incorrectly formatted - CSV text format required.
Invalid Footer	The Trailer row is incorrectly formatted or missing.
Invalid Header	The Header is incorrectly formatted or missing.
Invalid Instrument	Security code is not recognised by our system. The ISIN or common code does not exist, or is redeemed or the ISIN refers to more than one common code.
Invalid Lender	The request is not compatible with the account setting - check account number and lender status.
Invalid Limitation	The Lending Limits row (row 3) is incorrectly formatted.
Multiple Entries	You have specified the same security code more than once. The entry with the lowest limit will be used.
Over File Limit	The file contains more than 50,0000 rows.
Unauthorised Customer	Modification of Lending Limits is not permitted on this account.
Wrong structure	File structure is incorrect.



## Formatting the Lending Limits file

The Lending Limits file must be an ASCII text file with CSV (comma separated value) format<sup>1</sup> as described below and illustrated in the [“Sample Lending Limits file”](#) on page 6.

Formatted the rows in the Lending Limits file as follows:

Row	Type	Data
1	Header	HEADERCLEARSTREAM BANKING
2	Date	Processing date in format YYYYMMDD. The processing date is the date the limits will take effect. For example, a file sent on a Friday will not take effect until the next business day, that is, the following Monday. Limits can only be set for the next business day and cannot be set for any other future date.
3 onwards	Lending Limits	The data must be in the following order and formatted as follows: <ol style="list-style-type: none"> <li>1. Common code or ISIN (12 digits with leading zeros)) with a trailing comma. When validated, this field will be set to 12 digits with leading zeros.</li> <li>2. The nominal quantity, a positive integer with a maximum of 16 digits or all zeroes with a trailing comma. Only set the quantity to all zeroes if the security is to be recalled. This field must <b>not</b> be entered as a decimal, as a percentage or as a negative number.</li> <li>3. Customer’s account number (5 digits).</li> </ol>
Penultimate row	Checksum	Total number of Lending Limits rows. Do not include the Header, Date, Penultimate row or the Last row in this total.
Last row	Trailer	TRAILERCLEARSTREAM BANKING

**Note: The file has a limit of 50,000 rows.**

**If you specify the same security code more than once, the entry with the lowest limit will be used.**

1. If converting the Lending Limits file from Excel into CSV format, two commas appear in the header and trailer rows. Please delete these commas to make the format valid.

## Sample Lending Limits file

An example of a Lending Limits file is provided below. In this example, the processing date required is Monday, 31 May 2004.

Therefore the file must be sent to Clearstream Banking on Friday 28 May 2004 for the limit to take effect on the next business day, Monday 31 May 2004.

HEADERCLEARSTREAM BANKING

20040531

000018343894,50000,12345

000018314975,50000,12345

000018309190,50000,12345

000018309157,50000,12345

000018309149,50000,12345

000018309122,50000,12345

000018308053,50000,12345

000018304830,50000,12345

000018288605,50000,12345

000018263378,50000,12345

000018249910,50000,12345

000018243377,50000,12345

000018236664,50000,12345

000018232952,50000,12345

000018230682,50000,12345

000018198096,50000,12345

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TRAILERCLEARSTREAM BANKING

## Contact details

For assistance with CreationDirect via VPN, please contact the Connectivity Help Desk as follows:

	Luxembourg <sup>a</sup>	Frankfurt	London
<b>Tel:</b>	+352-243-38110	+49-(0) 69-21 1-1 15 90	+44-(0)20-7862 7100
<b>Fax:</b>	+352-243-638110	+49-(0) 69-21 1-61 40 69	+44-(0)20-7862 7254
<b>E-mail:</b>	connectivitysupport.cb@clearstream.com		
<b>Open from:</b>	08:00 - 19:00	08:00 - 19:00	08:00 - 19:00 GMT

a. If the normal exchange (243 3nnnn) goes out of service, calls are not automatically rerouted and customers must use the emergency telephone line (22 93 43nnnn). The switchboard is 22 93 431.

For further information on how the Lending Limits facility can help you to minimise administration and settlement failure, please contact the Securities Lending specialists as follows:

	Luxembourg <sup>a</sup>	London
<b>Tel:</b>	+352 243-36868	+44 (0)20 7862-7626
<b>E-mail:</b>	corpcomms@clearstream.com	

a. If the normal exchange (243 3nnnn) goes out of service, calls are not automatically rerouted and customers must use the emergency telephone line (22 93 43nnnn). The switchboard is 22 93 431.

For information about any of Clearstream Banking's products and services, contact your Relationship Officer or Customer Services or our website, [www.clearstream.com](http://www.clearstream.com).

## Appendix A. Using a process to send the Lending Limits file

Clearstream Banking provides customers using CreationDirect via VPN with a CreationDirect process that is to be used to submit the Lending Limits file to Clearstream Banking.

Each process is designed to perform a specific function which is described in the CreationDirect user documentation which is available on our website, [www.clearstream.com](http://www.clearstream.com) under Information Centre / Connectivity / ICSD / [CreationDirect User Guides](#).

On a Windows platform, CreationDirect processes are normally stored in folder C:\Clearstream Banking\Processes.

Please configure *the parameters in red* in the following sample process to match your requirements for sending your Lending Limits file to Clearstream Banking.

```

/*BEGIN_REQUESTER_COMMENTS
  $PNODE$=" Your customer node name" $PNODE_OS$="Windows"
  $SNODE$="CREATION_DIRECT" $SNODE_OS$="UNIX"
  $OPTIONS$="WDNO,WDOS"
END_REQUESTER_COMMENTS*/

TRANSND PROCESS
  &TRNFILE=" Your lending limits file name"
  &APPLICATION="CREATION_HUB"
  &ACCNTID=" [ Your account number] "
  &APPLICATION="LENDING_LIMIT"
  &USERID=" [ Your proxy Unix ID] "
  &RFILE=" [ Your validation feedback file name] "
  SNODE=CREATION_DIRECT
  CLASS=1
  PRTY=10
  RETAIN=No
  HOLD=No
  SNODEID= ( Your Unix hub ID)

CALLSSC RUN TASK SNODE (PGM=UNIX)
  SYSOPTS="transaction_send &APPLICATION TRANFILE=&TRNFILE
  USERID=&USERID RCVFILE=&RFILE ACCNTID=&ACCNTID"

PEND

```

Please contact the Connectivity Help Desk if you require assistance.