

Partial release: Clearstream Banking Functional Specifications

Settlement changes and new partial release
functionality

Partial release: Clearstream Banking Functional Specifications

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In addition to CBL's [Announcement A21055](#) about the partial release that will be effective 22 November 2021, CBL provides more information in this document about the changes that will be implemented in its system.

In this document, customers can find technical information, reporting information and some concrete cases to illustrate the changes that will take place.

Unless explicitly stated otherwise, the information mentioned in this document is related to internal settlement and Bridge settlement.

References in the document will often be made to MT5xx, here are the full names of these messages:

- MT548 Settlement Status and Processing Advice
- MT540/541/542/543 Settlement Instructions Messages
- MT544/545/546/547 Settlement Confirmations Messages
- [MT537 Statement of pending transactions](#)

If [customers](#) have any [questions](#) related to the information mentioned in this document, please contact your Client Service representative.

1. New instruction validation in Clearstream: Unique client reference (inbound)

From 22 November 2021, CBL will validate the Sender's Message Reference for all securities instructions (internal, Bridge or external), in order to allow customers to send partial release requests and avoid processing duplicates,.

CBL will no longer accept two or more settlement instructions pending or failing with the same Sender's Message Reference **and for the same common code**. Customers will only be able to reuse a Sender's Message Reference once an instruction is cancelled or settled in CBL (end of life of the instruction).

In a settlement instruction instructed via (MT540-MT543), the Sender's Message Reference is communicated in field :20C::SEME of mandatory sequence A.

Example:

MT540 sent by a customer
:16R:GENL
:20C::SEME//CLIENT001
:23G:NEWM
:98C::PREP//20210111140358
:16S:GENL

In the above example, the Sender's Message Reference must be unique **per common code**. The instruction from the customer will only be accepted in CBL provided that the reference "CLIENT001" (as per the example above) is not already being used by the customer in another pending or failing instruction **with the same common code**. If this is the case, the instruction is rejected and the customer must reinstruct with either a new Sender's Message Reference or reinstruct once the Sender's Message Reference is available again.



Why does Clearstream add the common code in the validation process? In order to limit the risk of instruction's rejection for customers, it has been decided to add the common code parameter to the validation process. Clearstream Banking's settlement system will only reject the instruction if two instructions have the same Sender's Message Reference for the same common code.

Cutover process:

Customers must ensure that, as from 22 November 2021, no instructions with the same reference for a given common code are pending on their account. Customers are requested to cancel these instructions before the cutover.

At the cutover, if there are still some customers that have pending instructions with duplicate references for a given common code, they will automatically be switched to a special set-up for a transition period that should not last more than three months.

These customers will have the below restrictions:

- No access to the new partial release functionality;
- No access to the new cancellation/update method for partially settled instructions (it will be mandatory to mention the original quantity/amount in the cancellation/update).

In the scenario where a customer would not be able to adapt their system for 22 November 2021, please contact your relationship manager or client service representative urgently.

For rejected instructions, Clearstream will inform the customer with a rejection MT548 (:25D::IPRC//REJT):

MT548 generated by Clearstream
:16R:GENL
:20C::SEME//CSDREF1
:23G:INST
:98C::PREP//20211122150658
:16R:LINK
:13A:LINK//540
:20C::RELA//CLIENT001
:16S:LINK
:16R:STAT
:25D::IPRC//REJT
:16R:REAS
:24B::REJT//REFE
:70D::REAS//This is a duplicate instruction and will be ignored for future processing
:16S:REAS
:16S:STAT
:16S:GENL



It is generally agreed in the industry that all settlement instructions should have a unique reference, however some Clearstream customers might use the same reference for multiple instructions. As explained above, this behaviour will not be accepted after 22 November 2021 and will cause instructions to be rejected. If necessary, customers are urged to change their system to ensure that a unique reference is used [per common code](#).

2. Settlement changes

2.1 Enhancement of cancellation/modification of settlement instructions

With the introduction of the unique reference, CBL has removed any validation of the quantity/cash amount on the cancellation/modification request (except for the release request) and will only validate the Sender's Message Reference of the instruction to find the target.

Note: The reason behind this change is that as several CSD/ICSDs have different method to accept the cancellation of partially settled instruction (e.g. either the original or the remaining quantity/cash amount is required), Clearstream has decided to remove any validation and only validate the unique reference of the instruction which will ease the cancellation process for customers that are active in multiple CSDs/ICSDs.

2.1.1 Cancellation and modification of partially settled instruction

Customers will have the possibility to cancel their partially settled instruction with either the original or the remaining quantity/cash amount as CBL will stop validating the quantity/cash amount of the cancellation/modification. Except for release modification where the quantity will be taken into account.

Note: As mentioned above, a prerequisite to use this service is to ensure that customers are using unique reference per common code.

Here is the list of the scenarios where the quantity and the cash amount will not be validated

- Cancellation of an instruction.
- Cancellation of a partially settled instruction.
- Modification of the Optional Settlement Filter.
- Modification of the priority code of the instruction.
- Modification of the partial settlement indicator.
- [Modification of Hold flag.](#)

Note: Even if technically possible, the use of MT54X is not recommended for modification of instructions, participants should use MT530 as recommended by the SMPG.

2.1.2 Release of an instruction

Whenever an instruction is released by the customer (either full release or partial release), the quantity mentioned in the release instruction will be taken into account by Clearstream.

If the quantity mentioned is above or equal the remaining quantity to settle, then a full release of the instruction will be performed.

If the quantity mentioned is below the remaining quantity to settle, then partial release request will be performed.

2.2 New optional settlement reporting with unique reference (Outbound)

For a given instruction, CBL currently reports an internal 7-digit reference on all the MT548 and MT54x (MT544-547) in the :20C::SEME of mandatory sequence A (Sender's Message Reference). Customers can request to have a unique reference generated by CBL for each message.

The subscription to this new service can be done in Xact Web Portal under Manage Report Subscriptions

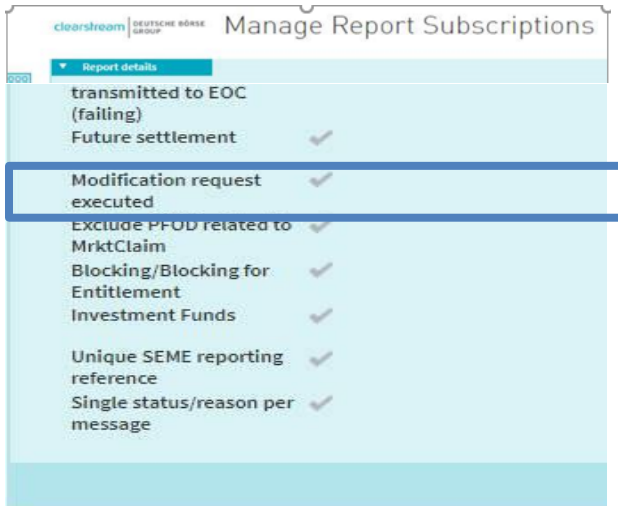
Note: This new reporting can be useful in case of partial settlement where multiple settlement confirmations are generated for a single instruction. With this optional service, the customer will receive a unique reference in all settlement confirmation and update messages.



2.3 MT548 subscription: Acknowledgement of instruction modifications

All customers with an existing MT548 subscription will receive a MT548 for any MT530 (or MT54x) that is sent to CBL. This is applicable to any modification request (for example, partial release, modification of the partial settlement flag, modification of the optional settlement flag, etc.).

Customers that do not wish to subscribe to the acknowledgement of MT530 via MT548, can deselect it in Xact Web Portal under Manage Report Subscriptions.



2.4 Delivery instructions without matching (“dump”)

2.4.1 Background

In line with ESMA Q&A¹ related to “dump” instructions, also referred to as “delivery without matching”, CBL will change its current offering. These changes were implemented in February 2021 and then removed to provide additional time for customers to adapt.

2.4.2 Changes

For internal settlement, the delivery without matching (dump) service will continue with the below restrictions:

- The trade date is mandatory for all internal delivery without matching instructions;
- Transfers are only allowed between accounts belonging to the same institution.

However, within an institution, it is possible to create groups of accounts:

- If emitter and counterparty are not part of a group, dumps are allowed;
- If emitter and counterparty are part of different groups, dumps are not allowed;
- If the emitter is part of a group but the counterparty is not, then the emitter can “dump” to the counterparty, but not the other way around.

Example:

Institution AAA has five accounts: Accounts A, B, C, D, E

Institution BBB has three accounts: Accounts X, Y, Z

Scenario 1:

When institution AAA has a group with the five accounts, then

- Dumps between A, B, C, D or E will still be possible;
- Dumps from A, B, C, D or E to X, Y or Z will not be possible, regardless of whether X, Y or Z are in a group or not (as dumps between accounts of different institutions is no longer permitted).

Note: In this scenario, CBL suggests to Institution AAA to delete the group as there is no need to have one.

Scenario 2:

When institution AAA has a group with only three accounts (A, B, C), and accounts D and E are not part of any group, then:

- Dumps between A, B or C will still be possible;
- Dumps from A, B or C to D or E will still be possible, (as D and E are not part of a group but belong to the same institution);
- Dumps from D or E to A, B or C will not be possible (D and E are not part of the group);
- Dumps from A, B, C, D or E to X, Y or Z will not be possible, regardless of whether X, Y, or Z are in a group or not (as dumps between accounts of different institutions is no longer permitted).

¹[ESMA Q&A states](#): “Only dump instructions involving transfers of financial instruments between different accounts opened in the name of the same participant or managed by the same account operator would still be allowed once the RTS on Settlement Discipline enters into force. Such instructions would be captured under point c) of Art 5(2) of the RTS on Settlement Discipline.”

Scenario 3

When institution AAA has two groups of accounts (group 1 = A, B, C, and group 2 = D, E) then:

- Dumps between A, B, or C will still be possible;
- Dumps between D or E will still be possible;
- Dumps from A, B or C to D or E will not be possible, as dumps cannot be done between two groups;
- Dumps from D or E to A, B or C will not be possible, as dumps cannot be done between two groups;
- Dumps from A, B, C, D or E to X, Y or Z will not be possible, regardless of whether X, Y or Z are in a group or not (as dumps between accounts of different institutions is no longer permitted).

Note: In order to instruct a dump, either Xact Web Portal (see below screenshot) can be used or the MT542 should be populated with the STCO//DLWM in field :22F: of mandatory sequence E. However, this will only be valid for internal instructions (CBL-CBL) that follow the new rules described in this section. For Bridge instructions, any MT542 being sent with STCO//DLWM in field :22F: of mandatory sequence E are rejected (MT548 :25D::IPRC//REJT).

Transaction ID *	<input type="text"/>
Safekeeping account *	<input type="text"/>
Safe. account name	<input type="text"/>
Sec. transaction type *	TRAD - Trade
Securities movement *	DELI - Delivery
Payment *	FREE - Separate Settlement
Trade date	<input type="text"/>
Settlement date *	<input type="text"/>
Sett. transaction cond.	DLWM - Delivery without matching
Party hold	<input checked="" type="checkbox"/>
Counterparty hold	<input checked="" type="checkbox"/>
Already matched	<input checked="" type="checkbox"/>

2.4.3 Cutover

- To create a group, please refer to the form "[Application for selective acceptance of internal delivery instructions without matching instructions](#)".
- Current existing group will be kept at the cutover (provided that they respect the new rules that all group's accounts belong to the same institution).

- If at the cutover, on 22 November 2021, a delivery without matching instruction is pending and does not respect the new rules then the instructions will be rejected automatically.

2.5 Enhancement of MT548 reporting: PEND//FUTU and PENF//CYCL

In accordance with CSDR RTS 2018/1229, Article 11, CBL has improved its MT548 reporting to inform customers in real time if a transaction switches from the “pending” status (that is, the instruction can still be settled on the current settlement date) to “failing” status (the instruction can no longer be settled on the current settlement date).

Since the implementation of the core functionalities in February 2021, CBL generates a MT548 and provides the information in Xact Web Portal as soon as the instruction moves from PEND (pending) status to PENF (failing) status.

From 22 November 2021, any internal or Bridge instruction that is sent to CBL and matches directly but is outside of a settlement cycle will be updated as described below:

- Before the Intended Settlement Date (ISD), the instruction will have status PEND//FUTU (provided there is no other relevant settlement status). As the instruction has not been attempted for provisioning, no information can be provided on a potential pending reason (for example, short of securities or short of cash).
- If the instruction is sent after the relevant settlement deadline (failing) and cannot be settled before the next day, a settlement status PENF//CYCL will be generated.

The statuses FUTU and CYCL are sent as soon as the instructions are received or if the provision checks cannot be performed. As soon as the checks are performed, the status of the instructions will change and will be reported to the customers (settled, short of securities, short of cash, etc.).

Note: If the instruction is on hold or the counterparty has entered the hold indicator (or both), this information will supersede any other status (for example, FUTU, CYCL). This can be the case as well for disagreement in processing batch (BATC) which is sent when there is a difference in the optional filter.

This reporting procedure will be in place for CBL’s internal and Bridge instructions. (External settlement will depend on the reporting from the domestic markets).

Example:

Scenario: Instruction is first unmatched and then matches on Intended Settlement Date (ISD) -1 (before the deadline), but the customer is short of securities.

Current behaviour:

On ISD -1	ISD (before the deadline)	ISD (after the deadline)	ISD + 1 (before the deadline on that day)
1st MT548 :16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//CMIS :16S:REAS :16S:STAT 2nd MT548 :16R:STAT :25D::MTCH//MACH :16S:STAT	3rd MT548 :16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS: :16S:STAT:	4th MT548 :16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS: :16S:STAT:	:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS: :16S:STAT:

From 22 November 2021:

On ISD - 1	ISD (before the deadline)	ISD (after the deadline)	ISD + 1 (before the deadline on that day)
<p>1st MT548</p> <p>:16R:STAT :25D::MTCH//NMAT :16R:REAS :24B::NMAT//CMIS :16S:REAS :16S:STAT</p> <p>2nd MT548</p> <p>:16R:STAT :25D::MTCH//MACH :16S:STAT</p> <p>3rd MT548</p> <p>16R:STAT :25D::SETT//PEND 16R:REAS :24B::PEND/FUTU :16S:REAS :16S:STAT</p> <p>Depending on their subscription, customers can avoid receiving either the FUTU/CYCL status or even receive the multiple statuses/reasons in one single MT548</p>	<p>4th MT548</p> <p>:16R:STAT :25D::SETT//PEND :16R:REAS :24B::PEND//LACK :16S:REAS :16S:STAT</p>	<p>5th MT548</p> <p>:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//CYCL :16S:REAS :16S:STAT</p>	<p>6th MT548</p> <p>:16R:STAT :25D::SETT//PENF :16R:REAS :24B::PENF//LACK :16S:REAS :16S:STAT</p>



Why does Clearstream implement a new optional reporting in Xact Web Portal?: As mentioned in the original publication, Clearstream Banking was investigating whether to offer one or two MT548 when there were multiple statuses/reasons to be reported. Based on customer demand, and in order to be more SMPG compliant, it was decided to ensure the reporting of only one status/reason per MT548 message. As from 22 November 2021, all MT548 will only include one single matching or settlement status.

However, customers have two new options in Xact Web Portal:

1. Customers can decide not to receive any PEND//FUTU or PENF//CYCL for their internal and Bridge settlement by ticking the relevant option in the Xact Web Portal (see below).
2. Customers can decide to receive multiple status/reasons in one single MT548 by ticking the relevant option in the Xact Web Portal (see below).

Attention: The PEND//FUTU and PENF//CYCL is a required information under CSDR RTS 2018/1229, Article 11 therefore customers should carefully review internally before opting-out of this new reporting.

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Manage Report Subscriptions

Create

Query / List New report subscription

Start	1	2	End
Report details			
Business Type	All instructions		
Awaiting Feedback	✓	Provisioned	✓
Provisioned no UCF	✓	Provisioned UCF	✓
Matched	✓	Internal Settlement Confirmed by local market (pending)	✓
Awaiting EOC Feedback (pending)	✓	Provisioned no yet transmitted to EOC (pending)	✓
Internal Settlement Confirmed by local market (failing)	✓	Awaiting EOC feedback (failing)	✓
Awaiting EOC feedback (provisioned)	✓	Provisioned no yet transmitted to EOC (failing)	✓
Future settlement	✓	Awaiting next settlement cycle	✓
Modification request executed	✓	Exclude PFOD related to MrktClaim	✓
Blocking/Blocking for Entitlement	✓	Investment Funds	✓
Unique SEME reporting reference	✓	Single status/reason per message	✓
Next process for unmatched	✓	Hold for unmatched	✓

Linked to the PEND//FUTU reporting

Linked to the PENF//CYCL reporting

Linked to the possibility to receive multiple statuses/reasons

2.6 Enhancement of hold reporting through MT548 and MT537

From 22 November 2021, CBL will report the status hold (PREA/PRCY/BOTH) via MT548 and MT537 as soon as the instruction is on hold (even if before the Intended Settlement Date).

This change is in line with article 11 of CSDR (EU) 2018/1229 of 25 May 2018 (Additional facilities and information) that requests the CSDs/ICSDs to provide real-time information on whether the instruction is on hold.

In addition to this CBL will implement the new SWIFT CR001643 that allows the reporting of unmatched instruction on hold.

If the customer releases the “on hold” instruction while the status is still unmatched, a MT548 related to the release of the instruction will be sent using code NEXT.

For the MT548 only, this reporting of unmatched instructions on hold will be optional and deactivated by default. Customers will be able to subscribe to it in Xact Web Portal.

Example of a MT548 sent by Clearstream Banking to the customer to inform that the instruction is unmatched and on hold:

MT548 generated by Clearstream
:16R:GENL
:20C::SEME//CSDREF1
:23G:INST
:98C::PREP//20210111160458
:16R:LINK
:20C::RELA//FVSCE00
:16S:LINK
:16R::STAT
:25D::IPRC//PPRC
:16R:REAS
:24B::PPRC//PREA
:16S:REAS
:16S:STAT
:16R:STAT

Example of a MT548 sent by Clearstream Banking to the customer to inform that the instruction has been released based on customer demand:

MT548 generated by Clearstream
:16R:GENL
:20C::SEME//CSDREF1
:23G:INST
:98C::PREP//20210111160958
:16R:LINK

:20C::RELA//FVSCE00
:16S:LINK
:16R::STAT
:25D::IPRC//PPRC
:16R:REAS
:24B::PPRC//NEXT
:16S:REAS
:16S:STAT



Why does Clearstream add a new PPRC//NEXT message?: The Swift Release 2021 will introduce a specific code to report an unmatched instruction on hold. However, unlike matched instructions that go in a provisioning stage as soon as released from hold, an unmatched instruction will not change status when released from hold and does not trigger any MT548 to the customer. As a consequence, Clearstream decided to leverage the code NEXT and send a MT548 with reason code PPRC//NEXT to the customer to advise him that his release instruction has been processed.

3. Partial release

3.1 What is partial release?

Partial release is a new service that allows customers to release a previously “on hold” delivery instruction for part of the original quantity/amount of the instruction. The settlement can only take place in a partial settlement window.

3.2 Why does Clearstream implement this service?

This service allows customers with an omnibus account structure to use the partial settlement functionality which they could not use before.

Currently, customers working with an omnibus account structure do not release their instructions to the market until it has been fully provisioned in their books. Otherwise, there is a risk of short selling and using position from another other client in the omnibus account. Therefore, these customers cannot use the partial settlement service in CBL.

From 22 November 2021, a customer can decide to partially release an instruction up to the quantity that their underlying client has in its books and allow the partial settlement.

3.3 Who is concerned by this service?

Any CBL or CBF-i customer with a 5-digit account can benefit from this service. Customers should either set-up their account to allow partial settlement or should ensure that their instructions (and the one from their counterparty) are flagged with the partial settlement indicator (PART). [Even if internal instructions can settle outside of a partial settlement window, it's necessary for both instructions to be flagged for partial settlement.](#)

Note: As mentioned earlier, customers not using a unique reference per common code will not benefit from this new service.

3.4 How to use the partial release?

The partial release can be accessed via SWIFT MT530 or Xact Web Portal (not available in CreationOnline).

Note: The functionality is also available via MT542/MT543. However, it is not recommend that customers use these messages to instruct a partial release. Customers should use an MT530 for any modification of instruction or partial release request as recommended by the SMPG.



From 22 November 2021, in order to allow partial release, the quantity mentioned in the MT530 or MT54x will be used to decide if a partial release is performed:

- If the quantity of the modification request is above or equal to the remaining quantity to settle of the instruction, a full release is performed.
- If the quantity of the modification request is below the remaining quantity to settle of the instruction, a partial release is performed.

Note: The remaining quantity is equal to the original quantity if no partial settlement took place

3.5 Which type of instruction is eligible to partial release?

All internal and Bridge delivery instructions are eligible for partial release, external instructions will not be eligible.

3.6 Validation of partial release instruction

A partial release request will be accepted provided that it meets the below criteria.

- The instruction is an internal or Bridge delivery instruction
- The underlying instruction is still alive (still pending in the system/not end of life)
- The underlying instruction is eligible for partial settlement.
- The counterparty of the underlying instruction is eligible for partial settlement.
- The quantity mentioned in the partial release is in line with the number of decimals set-up for the security in Clearstream.
- The quantity mentioned in the partial release is in line with the minimum and multiple tradable quantity set-up on the security and in line with the partial settlement rules.
- The underlying instruction is "on hold".
- The nominal quantity mentioned in the partial release request should always be less than the remaining quantity of the underlying instruction (if equal or higher it will be a full release).
- The quantity type (FAMT/UNIT) of the partial release request will be validated (similar to standard settlement instruction).
- The underlying instruction must be matched.
- [The underlying instruction is not part of a DCR \(Delivery Contingent Upon Receipt\) linkage.](#)

Note:

- For a transaction that has already been partially released, if the delivering party sends a modification request to change the partial settlement flag of his instruction to NPAR (not eligible to partial settlement), the modification request to change the instruction to NPAR will be rejected.
- For a transaction that has already been partially released, if the receiving party sends a modification request to change the partial settlement flag of the instruction to NPAR (not eligible to partial settlement). The instruction from the delivering party will be put back on hold for the full remaining quantity of the transaction.

CBL will not perform any validation and will accept partial release request in the below situation:

- Partial release request can be sent at any time (even before the Intended Settlement Date). Clearstream does not perform any validation on the Intended Settlement Date of the instruction.
- A partial release will be accepted even if the counterparty is on hold.

3.7 End of day process

CBL will recycle the partial release request until the instruction is either settled/cancelled or the partial release request is cancelled. There will not be any automatic cancellation of the partial release request at the end of the Intended Settlement Date

3.8 Cash penalties

If a settlement transaction that is partially released fails and is subject to cash penalties, the following rules would apply:

- **Settlement Fail Penalty (SEFP)** will always be assigned to the delivering party that has initiated the partial release instruction. Regardless if the instruction is on hold for the full quantity or for a partial quantity, the delivering party will be considered as the failing party for the entire failing instructions (regardless whether the counterparty is failing or not for the released quantity). With the exception that if both parties have put the instruction on hold, the SEFP would be charged to both participants.
- **Late Matching Fail Penalty (LMFP)** will be charged for the full quantity (hold quantity + release quantity) to the last party who sent its settlement instruction and is the last one to match.

The collection and distribution of cash penalties will start from February 2022.

3.9 Instructing partial release requests

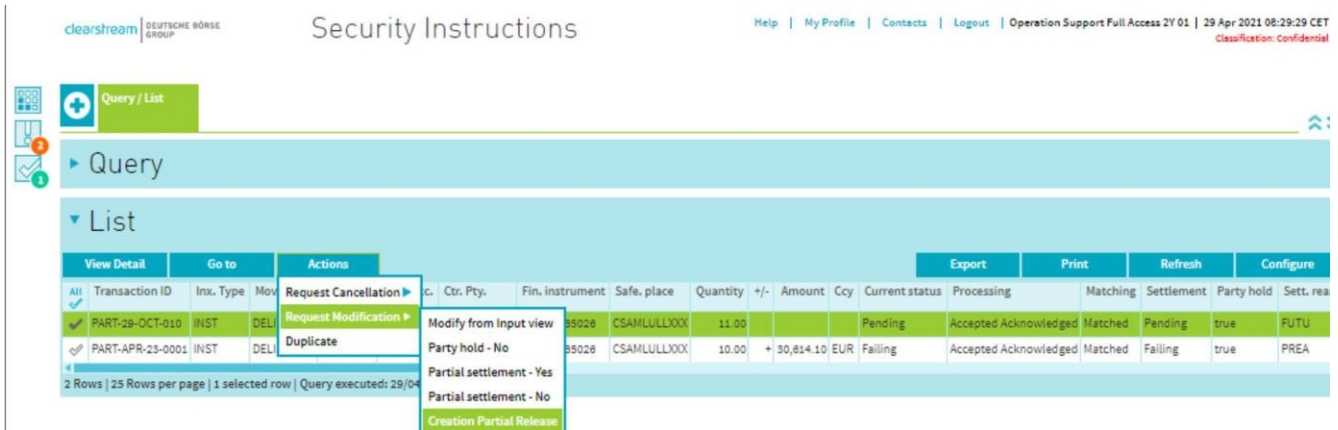
3.9.1 SWIFT

Customers should use an MT530 to instruct a partial release request via SWIFT. Even if technically possible, customers should not use an MT542 or 543 to instruct a partial release instruction.

MT530	Comments
:16R:GENL	
:20C::SEME//MOD0001	<i>There is no validation done on the uniqueness of the SEME for the MT530, however, we encourage customers to avoid reusing the same SEME.</i>
:23G:NEWM	
:98A::PREP//20201118150458	
:97A::CEDE//12345	
:16S:GENL	
:16R:REQD	
:20C::PREV//INX001	<i>The reference of the underlying instruction should be mentioned.</i>
:22F::SETT//YPRE	<i>The combination of the 22F::SETT//YPRE (release) and a quantity 36B::SETT which is below the remaining quantity to settle will trigger a partial release request.</i>
:16S:REQD	
:16R:ADDINFO	
:35B:ISIN XS0000000000	
:36B::SETT//UNIT/1000	
:16S: ADDINFO	
:16S:GENL	

3.9.2 Xact Web Portal

Xact Web Portal will be enhanced to allow customers to instruct partial release requests. The functionality already exists for LuxCSD and CBF.



3.10 Settlement of a partially released instruction

The settlement of a partially released **internal** instruction can be done **at any time**, even outside of a **partial settlement window** provided that both parties have the partial settlement flag and that the customer has enough position to settle the full partially released quantity.

The settlement of a partially released Bridge instruction can only be done in a partial settlement windows (four windows on the Bridge) provided that both parties have the partial settlement flag.



Why does Clearstream allow the settlement of partially release instruction at any time?: In order to provide a very fast settlement on any partially released instructions, it was decided, for internal settlement, to reduce the correlation of the settlement of a partially released instruction from the partial settlement windows.

3.11 Additional partial settlement windows

Currently there are 6 partial settlement windows in Clearstream for Bridge and Internal settlement instructions.

Approximate partial settlement time window	
1.	Around 22:30 on SD-1 (start of the day). Internal settlement only
2.	From 13:40 to 14:25 on SD
3.	From 15:10 to 15:55 on SD
4.	From 16:40 to 17:35 on SD
5.	From 18:20 to 19:05 on SD
6.	Around 20:00 on SD (end of the day). Internal settlement only

Note: Section 3.17 of the CBL Customer Handbook describes the existing partial settlement offering.

In addition to the above fixed settlement windows, **for internal settlement only**, Clearstream has decided to introduce a near-real time partial settlement.



Why does Clearstream increase the number of partial settlement windows?: Same as for the partial release instructions, Clearstream would like to ensure a faster settlement for instructions settling partially, this is why it has moved to a near real-time partial settlement throughout the day so it can offer more opportunities for customers to settle their instructions partially.

This new partial settlement method is not based on fixed timing and therefore, Clearstream cannot guarantee any dedicated windows aside from the six existing partial settlement windows.

This recent change is still under development and might not be ready on 22 November 2021.

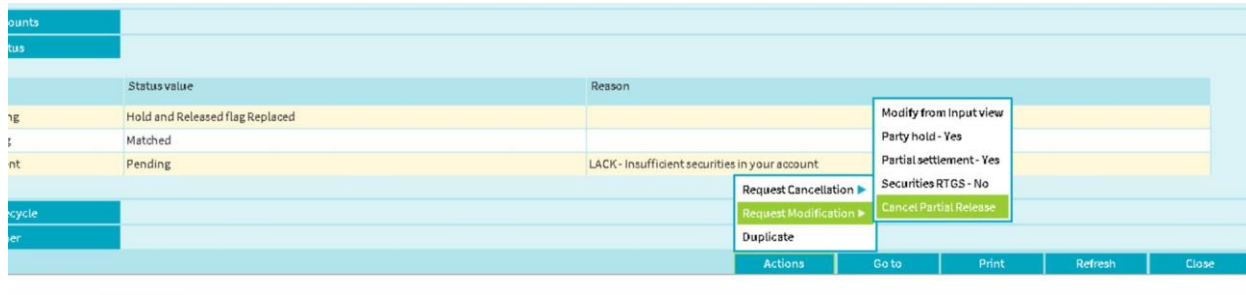
3.12 Cancellation/modification of a partial release request

3.12.1 Cancellation

In order to cancel a partial release request, the customer should either:

- Put the instruction back on hold for the full remaining quantity via a new modification request; or
- Release the underlying instruction for the full remaining quantity via a new modification request.

Note: In Xact Web Portal there is a button which allows you to directly cancel your partial release request:



3.12.2 Modification

Similar to the cancellation of a partial release request, before doing any modification on the released quantity, the full remaining quantity should be put back on hold before sending any new partial release quantity. A partial release request will not be accepted if the instruction has not been put on hold for the full remaining quantity.

3.13 Transaction linking service with partial release

The RCD (Receipt Contingent on Delivery) service can be used with the partial release. The customer can decide to partially release the delivery if needed. The receipt that is contingent to the delivery will only be released for settlement when the delivery is fully settled.

However, the DCR (Delivery Contingent on Receipt) service cannot be used with the partial release and any request to partially release a delivery instruction that is part of a DCR will be rejected.

3.14 Reporting

3.14.1 Acknowledgement of partial release request

From 22 November 2021, all MT530 instructions that are sent to CBL will receive an acknowledgement via MT548. Customers can unsubscribe if necessary, via Xact Web Portal.

If a partial release request is accepted, the below MT548 will be generated (if there is an active subscription).

MT548	Comments
:16R:GENL	
:20C::SEME//CSDREF1	
:23G:INST	
:98C::PREP//20201118150558	
:16R:LINK	
:13A::LINK//530	
:20C::RELA//MOD001	<i>The Sender's Message Reference mentioned in the MT530.</i>
:16S:LINK	
:16R:STAT	
:25D::TPRC//MODC	<i>The MODC indicates that the instruction has been processed.</i>
:16S:STAT	
:16S:GENL	
:16R:SETTRAN	
:94F::SAFE//CUST/CEDELULLXXX	
:35B:ISIN XS0000000001	
/XS/000000001	
SHS UNKNOWN	
:36B::SETT//UNIT/6,	<i>The quantity that has been released is confirmed.</i>
:19A::SETT//EUR1000,	<i>The original cash amount of the instruction is mentioned.</i>

3.14.2 Rejection of partial release request

If a partial release request is rejected a MT548 of rejection will be sent to the customers to advise them that the request has not been processed and was rejected with the reason of the rejection.

A) Rejection of partial release request (can only happen if the instruction is rejected as the reference mentioned in the :20C::PREV// of the MT530 is unknown in Clearstream)

MT548	Comments
:16R:GENL	
:20C::SEME//CSDREF1	
:23G:INST	
:98C::PREP//20201118150658	
:16R:LINK	
:13A::LINK//530	
:20C::RELA//MOD001	<i>The Sender's Message Reference mentioned in the MT530.</i>
:16S:LINK	
:16R:STAT	
:25D::TPRC//REJT	<i>The REJT indicates that the instruction has been rejected.</i>
:16R:REAS	
:24B::REJT//NARR	
:70D::REAS// No target instruction found	<i>The narrative provides the exact reason for the rejection.</i>
:16S:REAS	
:16S:STAT	
:16S:GENL	

B) Other rejection of partial release request (the only difference is that the sequence :16R:SETTRAN is mentioned)

MT548	Comments
:16R:GENL	
:20C::SEME//CSDREF2	
:23G:INST	
:98C::PREP//20201118150658	
:16R:LINK	
:13A::LINK//530	
:20C::RELA//MOD002	The Sender's Message Reference mentioned in the MT530.
:16S:LINK	
:16R:STAT	
:25D::TPRC//REJT	The REJT indicates that the instruction has been rejected.
:16R:REAS	
:24B::REJT//NARR	
:70D::REAS// Partial release cannot apply if the instruction is not on hold	The narrative provides the exact reason for the rejection.
:16S:REAS	
:16S:STAT	
:16S:GENL	
:16R:SETTRAN	The sequence SETTRAN has been added for rejection messages different than target not found
:35B:ISIN FR0010557264	
:36B::SETT//UNIT/600,	
:19A::SETT//EUR1000,	
:97A::SAFE//XXXXX	
:22F::SETR//TRAD	
:22H::REDE//DELI	
:22H::PAYM//APMT	
:98A::SETT//20210702	
:98A::TRAD//20210627	
:16R:SETPRTY	
:95P::SELL//XXCFNLXXXXX	
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG/CEDE/XXXXX	
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//CEDELULLXXX	
:16S:SETPRTY	
:16S:SETTRAN	

3.14.3 Reporting of partially release quantity

The partially released quantity will be displayed in the narrative of the **MT548** , **MT537** and **MT94x** reporting. When there is a partial release quantity, the settlement status that was mentioned in the instruction will correspond to the released quantity. Either the narrative will only mention the released and hold quantity or the narrative will mention a description of the reason code and as well the released and hold quantity. This narrative will be mentioned in all the settlement statuses reported to the customer.

PRQT = Partially released quantity.

HOLD= Hold quantity.

Example 1:

Delivery of 5000 UNIT

Partially released for 1000 UNIT (4000 UNIT on hold)

Matched but awaiting the first partial settlement cycle.

MT548	Comments
:25D::SETT//PEND	
:16R:REAS	
:24B::PEND//FUTU	<i>The FUTU indicates that the instruction is for future settlement (the Intended Settlement Date has not been reached or no partial settlement window has been reached yet).</i>
:70D::REAS///PRQT 1000, + HOLD 4000,	<i>The narrative provides the quantity that is released and that is on hold.</i>
:16S:REAS	

Example 2:

Delivery of 5000 UNIT

Partially released for 1000 UNIT (4000 UNIT on hold)

The instruction will be partially settled for 700 UNIT (300 UNIT are still released):

MT548	Comments
:25D::SETT//PEND	
:16R:REAS	
:24B::PEND//PART	<i>The PART indicates that a partial settlement has taken place</i>
:70D::REAS//Partially Settled/PRQT 700, + HOLD 4000,	<i>The narrative provides the pending reason and as well the quantity that is released and the quantity that is on hold.</i>
:16S:REAS	

3.15 Sequencing

Internal instructions will be extracted for settlement in any eligible standard settlement cycle, so they will be considered in the sequencing, but only for the released quantity.

Note: Today, instructions that are “on hold” are not part of sequencing as not eligible for settlement.

However, as bridge instructions with a partial released quantity will only be extracted for settlement in the partial settlement window, they will only be considered in the sequencing in these settlement cycles for the quantity that is released.

3.16 Market claims and transformations

Whenever a market claim or transformation will be generated for which the underlying is a partially released instruction, the market claim/transformation instruction will be generated “on hold” for the full quantity/cash amount.

Not applicable for Bridge instructions as Clearstream does not generate market claims and transformations on the Bridge.

Not applicable when market claims instructions are created following settlement rules.

3.17 Enhanced Anticipated Net Balance reported in MT940 – Money Suspense Report

Currently, the anticipated net balance available in Xact Web Portal under “Cash & Liquidity”, “Cash Balances”, “Forecast” as balance type “Anticipated Net Balance”, or via SWIFT MT940 - Money Suspense report Sequence C, Field :64: Anticipated Net Balance, only reports cash information on instructions that are either “on hold” or released but not partially released.

The reported balance will be enhanced to provide information as per below:

- The part of the instruction that is partially released will be reported within “Pending - Securities” sub-balance”
- The part of the instruction that is “on hold” will be reported within “Pending - On hold Securities”.

3.18 Business scenarios

Three different scenarios of partial release and the corresponding MT548 reporting are described in the Excel spreadsheet attached to this PDF.

The reporting is still being developed and potential changes may happen, in which case, these functional specifications will be updated.