

CSD Power of Attorney - Switzerland

Following the provision of a trade feed by the Swiss Stock Exchange to EuroCCP, CCP settlement arrangements have been implemented with SIX SIS, the Swiss CSD. The CCP's role allows EuroCCP and its Clearing Participants to benefit from a number of functionality enhancements, which will improve settlement efficiency. The purpose of this document is to advise Clearing Participants and their settlement agent of the CSD Power of Attorney, Auto-split and use of EuroCCP reference.

CSD Power of Attorney

In addition to the settlement-agent Power of Attorney, EuroCCP offers the CSD Power of Attorney (CSD PoA) which allows EuroCCP to manage the settlement obligations on behalf of the Clearing Participants to SIX SIS. EuroCCP will submit both legs of the settlement instruction to SIX SIS for matching and this provides a number of benefits to Clearing Participants and their settlement agents, namely:

- Timely and correct settlement instructions to the CSD.
- Settlement instructions matched on the evening of Trade date.
- The split and cancellation process (Auto-split) will run automatically requiring no manual client intervention, leading to operational efficiencies
- Availability of the CSD POA for MTF trading activity.
- Availability of EuroCCP's copy POA messages and MT548 from SIX SIS for CSD participants. SIX SIS will report the settlement instructions with :22F::SETR/SCOM/NETT.

The CSD POA is mandatory for Swiss Stock Exchange activity.

Auto-Split

SIX SIS only offers an auto-split functionality for CCP settlement instructions (under POA), which allows the Clearing Participant and CCP to settle the available positions during seven auto-split batches at 04:50, 10:50, 12:50, 13:50, 14:15, 15:15 and 16:15

CET, maximising settlement efficiency.

SIX SIS also offers its Clearing Participants the option to release available stock at their own discretion outside the partial window into the CCP by sending an MT530 or instructing from its GUI, resulting in the CSD's system automatically partialling the instructed quantity to the CCP.

When a partial position is available for settlement, SIX SIS will undertake the following actions:-

1. Cancellation of parent order (original settlement instruction).
 - a. MT548 from SIX SIS will contain status 414, cancelled due to auto-split.

2. Creation of 1st child order (for the available position).
3. Creation of 2nd child order (for the remaining obligation).

EuroCCP reference (POOL reference)

When a Clearing Participant opts for the CSD PoA, EuroCCP will instruct both legs of the settlement instruction with the same POOL-reference. The POOL-reference of the initial settlement instruction will be the reference quoted in EuroCCP's CIF File field 159 of record code 409, 410 or 450. The CIF file specification can be found on EuroCCP's website at <https://www.euroccp.com/download/technology>.

Settlement instructions that are generated by SIX SIS to settle during one of the six auto-split batches will have the same POOL-reference as the parent order. The RELA reference of the two child orders will have a SIX SIS-generated reference:-

Cancellation of parent order MT548	Generation of 1 st child MT548	Generation of 2 nd child MT548
:16R:GENL	:16R:GENL	:16R:GENL
:20C::SEME//NL100386xxxxxxx	:20C::SEME//NL100386yyyyyyy	:20C::SEME//NL100386zzzzzzz
:23G:INST	:23G:INST	:23G:INST
:16R:LINK	:16R:LINK	:16R:LINK
:20C::RELA//EuroCCPs SEME reference	:20C::RELA//SIS generated reference (unique)	:20C::RELA//SIS generated reference (unique)
:16S:LINK	:16S:LINK	:16S:LINK
:16R:LINK	:16R:LINK	:16S:LINK
:20C::POOL//<Field 159 of the CIF File>	:20C::POOL//<Field 159 of the CIF File>	:16R:LINK
:16S:LINK	:16S:LINK	:20C::POOL//<Field 159 of the CIF File>
:16R:STAT	:16R:STAT	:16S:LINK
:25D::IPRC//CAND	:25D::MTCH//MACH	:16R:STAT
:16R:REAS	:16S:STAT	:25D::MTCH//MACH
:24B::CAND//CANZ	:16S:GENL	:16S:STAT
:70D::REAS///STATUS/414		:16S:GENL
:16S:REAS		
:16S:STAT		
:16S:GENL		

How to apply for the Auto-split facility

To implement this service, a clearing participant and its settlement agent should complete and sign the SIX SIS Authorisation document (CSD POA), which should be submitted with SIX SIS.



Clearing Participants wishing to implement this service should also contact EuroCCP's Client services Testing team at clienttesting@euroccp.com to arrange mandatory testing prior to go live. This involves a regression test which will ensure the POOL referencing is STP into a Clearing Participants' systems.

This functionality will operate in a similar fashion to the Settlement Agent POA currently used by Clearing Participants, however, with EuroCCP sending both instructions directly to the CSD.

Contacts

Department	Contact details	Responsibilities
Relationship Management	rm@euroccp.com +44 20 7392 7480	<ul style="list-style-type: none">• EuroCCP services• EuroCCP pricing• Main point of contact
Client Services	clientservices@euroccp.com +44 20 7392 7490	<ul style="list-style-type: none">• Application• Static data• Connectivity• Reporting
Client Testing	clienttesting@euroccp.com +44 20 7392 7490	<ul style="list-style-type: none">• Testing