
Direct Settlement

Advanced (DS.A)

Multicurrency settlement

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1 Introduction

The present document gives an overview of multicurrency settlement of OTC instructions in the DS.Advanced system. A requirement for the participation in multicurrency settlement is a cash account in the relevant currency held with OeKB as debits and credits are made directly to this account.

2 Basic Principles

2.1 Cash settlement

For the instruction types INTERNAL and EXTERNAL the following currencies can be used for cash settlement: British Pound, Swiss Franc, US Dollar.

2.1.1 Safekeeping Account Structure

Multicurrency cash settlement can only be effected via a cash account held with OeKB. A separate cash account must be set up per currency. Please note that if you already have a corresponding currency account (e.g. for interest and dividend payments in a non-Euro currency) this will not be automatically used for settlement. Rather we need to be formally notified that this cash account should be used. However, you may also open an additional non-Euro currency account specifically for this purpose.

2.1.2 Available Balance on Cash Accounts Held at OeKB

When multicurrency cash settlement effected the cash coverage check for instruction type IRVP (Internal Receive versus Payment) is made against the credit balance of the respective currency account.

For cash settlement involving the instruction type ERVP (External Receive versus Payment) the cash amount in the relevant currency is reserved in a first step. Only after settlement confirmation has been received from the foreign depository is the cash account at OeKB debited.

An overdraft limit cannot be granted.

2.2 Charging of Fees

2.2.1 Transaction fees

All transaction fees (including cancellation or penalty fees) accumulated in DS.A are charged monthly in arrears in Euro.

2.2.2 Penalty interest

Penalty interest on arrears for transaction type INTERNAL is charged immediately, as at present, in the respective currency.

3 Submission of instructions and Settlement

3.1 Submission of instructions (INTERNAL/EXTERNAL)

Concerning the content of the currency field the submission of instructions is the same for INTERNAL and EXTERNAL.

3.1.1 Online instructions

A drop down field for the currency is provided for instructions against cash. The drop down list includes all available currencies. The default setting is EUR.

3.1.2 SWIFT instructions

Specification of currency in field: 19A: (Settlement Amount)

for example: :19A::SETT//CHF12317,65 (ISO code and cash amount)

3.1.3 Checking for the availability of a non-Euro currency account (INTERNAL/EXTERNAL)

On saving an instruction entered via the GUI or processing one submitted via SWIFT a check is made as to whether the selected/instructed currency is permissible for the instruction type and place of safekeeping (place of settlement) and whether a cash account in the relevant currency exists for the securities account in question.

If the currency is not permissible or no cash account is available for the relevant currency the following error message is displayed on the online client:

Error: Settlementamountcurrency - For the selected safekeeping account and place of settlement are only the currencies [XXX, XXX, XXX] allowed.

SWIFT instructions are rejected with the following status/reason code in th MT 548:

:24B::REJT//NCRR (Settlement Amount Currency Rejection).

3.2 Search Screens

3.2.1 Search/Update Instructions, Alleged Instructions

When you search for instructions or alleged instructions all currencies are available for the search.

3.2.2 Result Lists from Search Queries

The column “Ccy” has been added to the result lists.

In “Search Settlement Instructions” you can also define the field “Ccy” via “Edit View” individually.

3.2.3 Cash Preview

In the drop-down list “Cash Accounts“ all cash accounts (Euro and non-Euro) are shown. Next to the account number is displayed the currency of the account

The cash preview is displayed for the cash account selected. The column “Ccy“ has ben added to the results list.

3.3 INTERNAL Settlement

3.3.1 Matching Criteria

Currency is an additional matching criterion for INTERNAL instructions. For non-Euro currencies there is no matching tolerance for cash amounts, they must match exactly.

3.3.2 Realtime processing

Real time settlement is possible between 9:30 a.m. and 12:30 p.m. provided the instruction is received between these times respectively the matching takes place between these times.

3.3.3 Batch processing

Non-Euro batches are started at the following times:

Starting time	Time of result
09:30 a.m.	09:50 a.m.
11:30 a.m.	11:50 a.m.
12:30 p.m.	12:50 p.m.
02:45 p.m.	03:00 p.m.

The non-Euro batches run independently of the Euro batches. Netting is done for each individual currency but not across currencies.

3.3.4 Timeline

Settlement is carried out either in batch or real time.

Basically the process is the same as for settlement in Euro.

- Matching prior to settlement date:
 - Settlement in the first non-Euro batch run on settlement date
- Matching on settlement date or later outside of the time slot for the currency in question:
 - Settlement in the next non-Euro batch run
- Matching within the time slot for the currency in question:
 - Immediate real time settlement if sufficient cash and securities coverage are available.
 - Real time settlement if sufficient securities coverage is available and cash coverage becomes available before the next non-Euro batch.
 - Batch settlement if insufficient securities coverage is available or cash coverage does not become available prior to the next scheduled batch run.

3.4 EXTERNAL Settlement

Settlement is carried out according to the market practice of the custodian in question:

- Euroclear Bank
- Clearstream Banking Luxembourg

4 Cash Accounts

4.1 Correspondence banks and cut-off times

The correspondence banks and their respective cut-off times are:

Currency	Correspondence Bank	OeKB Kontonummer	Cut-off Zeit
British Pound	National Westminster Bank, London	04572424	12:30 CET p.m.
Swiss Franc	UBS, Zurich	2306323005	12:30 CET p.m.
USDollar	JP Morgan Chase Bank, New York	0011036910	03:00 CET p.m.

There is no connection between the batch-times listed under 3.3.3 and the above mentioned cut-off times of our correspondence banks.

The cut-off times are the times by which cash can be deposited on or withdrawn from the respective non-Euro cash account with the same value date.

5 Prices

5.1 Instruction type Internal

Fee for cash leg for IDVP, IRVP for payment via giro account with OeKB	
Currency	Fee
British Pound	Euro 6,20
Swiss Franc	Euro 6,20
USDollar	Euro 6,20

The fees applicable for securities leg are listed in the latest version of the price list (Item 1.1.1 Fee per settled instruction).

5.2 Instruction type External

Fee for cash leg for EDVP, ERVP for payment via giro account with OeKB	
Currency	Fee
British Pound	Euro 6,20
Swiss Franc	Euro 6,20
USDollar	Euro 6,20

The fees applicable for securities leg are listed in the latest version of the price list (Item 1.2.1 Fee per settled instruction).



Oesterreichische Kontrollbank AG

1011 Vienna, Austria
Strauchgasse 3
Tel. +43 1 531 27-2100
Fax +43 1 531 27-4100
csd.austria@oekb.at
www.oekb.at