



SETTLEMENT AND ISO 15022  
STANDARDS:

**BELGIUM**  
MARKET PRACTICE

*Issued on behalf of the **Belgian** Market Practice Group*

**March 2009**

# Belgian Market Practice Templates for Settlement

## 1 Introduction

This document refers to fixed income vanilla trades in a custody environment. Those instruments settle at the the Banque Nationale de Belgique/Nationale Bank van België. For equity, see ESES S&R Market Practice as the settlement of those instruments take place at Euroclear Belgium.

| <b>Changes to previous version</b> |          |   |                            |
|------------------------------------|----------|---|----------------------------|
| V5.0                               | Change   | BIC for CSD BNB/NBB: from NBBEBEBB216 to <u>NBBEBEBB</u>  |                            |
| V5.1<br>April 2002                 | Addition | Recommendations for the instruction of a REPO on the Belgium market   | Page 7                     |
| V5.2<br>August 2004                | SR 2003  | Repo transaction identification corrected   | Page 7                     |
| V5.3<br>November<br>2006           | Addition | - New Pagination numbering<br>- Recommendations when there is multiple relationship between the REAG/DEAG BIC and the NBB code for BE GVT Bonds<br>- List of NBB Settlement Securities System Participants in Annex 1 | Page 2, 3, 5<br><br>Page 8 |
|                                    | Change   | Layout + modification of the example.<br>Definition of field changed<br>Note added  | All<br>Page 3, 6<br>Page 9 |
| V5.4<br>October 2008               | Deletion | Deletion of equities from the MP. Now covered by the ESES Regional Market Practice.   | All where present.         |
| V5.5                               | Deletion | Deletion of out-dated repo ISO 15022 codes  | Page 8                     |

## 2 The Needed Elements

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| <b>BE</b>  |  |
|--|--|
| <b>Business element name</b>   | <b>Data Content Format</b>                     |
| Sender's Message Reference   | 16x  |
| Settlement Date  | 8!n  |
| Trade Date   | 8!n  |
| Identification of Financial Instrument                                   | ISIN1!e12!c                                    |
| Quantity of Financial Instrument to be settled                           | 4!c/15d with<br>4!c = FAMT for fixed<br>income |
| Safekeeping account to be credited or debited                            | 35x  |
| <b>Delivering or Receiving agent</b>                                     | <b>BIC</b>                                     |
| <b>Delivering or Receiving agent NBB participant account<sup>1</sup></b> | <b>4!n</b>                                     |
| Client of Delivering or Receiving agent                                  | BIC  |
| Place of settlement  | BIC  |
| Settlement Amount (including currency)                                   | 3!a15d   |

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### 2.1 Specifics

To settle fixed income securities in the BE market, the Settlement Common Elements need to be used (<http://smpg.webexone.com/r.asp?a=5&id=42829>), and the party 'The Delivering or Receiving agent' needs to be specified with its BIC.

When there are multiple accounts linked to the same BIC, the **Delivering or Receiving agent NBB participant account needs to be mentioned as well.**

To view the correct combination of BIC and account to be used, please refer to the [ANNEX 1 on page 9](#).

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<sup>1</sup> For settlement at the Banque Nationale de Belgique/Nationale Bank van België when there are multiple accounts linked to the same BIC.

**2.2 Illustration of the common elements used:**

- Securities used: BE0123456789
- Parties and safekeeping accounts relationships as follows :

|                                     |          |  |
|-------------------------------------|----------|--|
| fund manager                        | FMXXCC22 | fictional Bank Identifier Code (BIC)                           |
|                                     | ABCD     | fictional account with its global custodian                    |
| Broker                              | BRYYCC22 | fictional Bank Identifier Code (BIC)                           |
|                                     | 99857    | fictional account with its local agent                         |
| global custodian                    | GCXXDD22 | fictional Bank Identifier Code (BIC)                           |
|                                     | A1B2     | fictional account with its subcustodian/local agent            |
| Subcustodian/local agent of the GC. | SCXXBE22 | fictional Bank Identifier Code (BIC)                           |
|                                     | 3214     | fictional account with the central securities depository (NBB) |
| local agent of the Broker.          | SCYYBE22 | fictional Bank Identifier Code (BIC)                           |
|                                     | 8888     | fictional account with the central securities depository (NBB) |
| PSET In Belgium                     | NBBE8EBB | Banque Nationale de Belgique/Nationale Bank van België         |

- The fund manager buys 15000 of ISIN BE0123456789
- Trade Date is: 01 March 2007
- Settlement Date is: 04 March 2007
- Settlement amount is: EUR300000,
- Sender's Reference is: 21324

| Detailed Field Name                         | Data Field Content | Example                              |
|---|--------------------|--------------------------------------|
| Start of block                              | GENL               | :16R:GENL                            |
| Sender's Reference                          | 16x                | :20C::SEME//21324                    |
| Function of the message                     | 4!c                | :23G:NEWM                            |
| End of block                                | GENL               | :16S:GENL                            |
| Start of block                              | TRADEDET           | :16R:TRADEDET                        |
| Settlement Date                             | 8!n                | :98A::SETT//20070304                 |
| Trade Date                                  | 8!n                | :98A::TRAD//20070301                 |
| Identification of the Financial Instruments | ISIN1!e12!c        | :35B:ISIN BE0123456789               |
| End of block                                | TRADEDET           | :16S:TRADEDET                        |
| Start of block                              | FIAC               | :16R:FIAC                            |
| Quantity of Financial Instrument            | 4!c/15d            | :36B::SETT//FAMT/15000,              |
| Safekeeping Account                         | 35x                | :97A::SAFE//ABCD                     |
| End of block                                | FIAC               | :16S:FIAC                            |
| Start of block                              | SETDET             | :16R:SETDET                          |
| Settlement Transaction Type Indicator       | 1!a                | :22F::SETR//TRAD                     |
| IDENTIFICATION OF PARTIES<br>OF ACCOUNTS    | WILL VARY          | ACCORDING TO THE SETTLEMENT<br>CHAIN |
| Start of block                              | AMT                | :16R:AMT                             |
| Settlement amount                           | 3!c15d             | :19A::SETT//EUR300000,               |
| End of block                                | AMT                | :16S:AMT                             |
| End of block                                | SETDET             | :16S:SETDET                          |

Settlement Chain should at least contain:

|  |     |
|--|-----|
| Delivering or Receiving agent                                      | BIC |
| Delivering or Receiving agent NBB participant account <sup>2</sup> | 4!n |
| Client of Delivering or Receiving agent                            | BIC |
| Place of Settlement  | BIC |

Settlement at NBB:

|  |         |                      |
|--|---------|----------------------|
| Start of block                                     | SETPRTY | :16S:SETPRTY         |
| Party (Delivering agent)                           | BIC     | :95P::DEAG//SCYYBE22 |
| Account of Client of Delivering or Receiving agent | 4!n     | :97A::SAFE//8888     |
| End of block                                       | SETPRTY | :16S:SETPRTY         |
| Start of block                                     | SETPRTY | :16R:SETPRTY         |
| Party (Seller)                                     | BIC     | :95P::SELL//BRYYCC22 |
| End of block                                       | SETPRTY | :16S:SETPRTY         |
| Start of block                                     | SETPRTY | :16R:SETPRTY         |
| Party (place of settlement)                        | BIC     | :95P::PSET//NBBEBEBB |
| End of block                                       | SETPRTY | :16S:SETPRTY         |

<sup>2</sup> For settlement at the Banque Nationale de Belgique/Nationale Bank van België when there are multiple accounts linked to the same BIC.

## **Extension to Settlement Confirmation and Free of Payment**

The set of common elements can also be used for settlement confirmation and free of payment transaction with the following differences:

### **2.3 Free of payments**

Free of payment instruction contains the same elements as for the against payment transaction except for the elements pertaining to the settlement amounts. The settlement amount(s) is not required.

### **2.4 Confirms**

The Settlement confirmation – whether it is a free of payment or an against payment transaction – should contain the same elements as the original instruction

#### **PLUS:**

- The reference to the original settlement instruction that was received. This is done using the Linkage Block and the qualifier 20C::RELA//16x

#### **EXCEPT:**

- The settlement date given in the confirmation is the effective settlement date (which might differ from the instructed settlement date as stated in the instruction). This translates in ISO 15022 messages by using the qualifier ESET rather than SETT as qualifier for the date field 98a.
- The quantity of financial instrument in the confirmation is the effective settled quantity. This translates in ISO 15022 messages by using the qualifier ESTT rather than SETT as qualifier for the quantity of financial instrument field 36B.
- The settlement amount given in the confirmation is the effective settlement amount. This translates in ISO 15022 messages by using the qualifier ESTT rather than SETT as qualifier for the amount field 19A.

### 3 Repo:

#### 3.1 Definition:

In Belgium, what is called a REPO corresponds to the generally accepted definition of a repurchase agreement: “the sale of securities, linked to a simultaneous repurchase of the same securities from the same counterparty on a specified or unspecified date.”

The only difference is that open term repos are not a BE market practice.

To instruct a REPO in Belgium, two messages need to be released: an opening and a closing leg identified as such. The closing leg must be linked to the opening leg using a PREV linkage sequence. There is no additional requirement.

#### 3.2 Illustration:

| MT543                       | MT541                           |
|-----------------------------|---------------------------------|
| :16R:GENL                   | :16R:GENL                       |
| :20C::SEME//REPOINSTR123    | :20C::SEME//REPORETURN123       |
| :23G:NEWM                   | :23G:NEWM                       |
| :98A::PREP//20010305        | :98A::PREP//20010305            |
|                             | <b>:16R:LINK</b>                |
|                             | <b>:20C::PREV//REPOINSTR123</b> |
|                             | <b>:16S:LINK</b>                |
| :16S:GENL                   | :16S:GENL                       |
| :16R:TRADDET                | :16R:TRADDET                    |
| :98A::TRAD//20050305        | :98A::TRAD//20050305            |
| :98A::SETT//20050308        | :98A::SETT//20050315            |
| :35B:ISIN BE0000294034      | :35B:ISIN BE0000294034          |
| :16S:TRADDET                | :16S:TRADDET                    |
| :16R:FIAC                   | :16R:FIAC                       |
| :36B::SETT//FAMT/100050000, | :36B::SETT//FAMT/100050000,     |
| :97A::SAFE//111111111       | :97A::SAFE//111111111           |
| :16S:FIAC                   | :16S:FIAC                       |
| :16R:SETDET                 | :16R:SETDET                     |
| <b>:22F::SETR//REPU</b>     | <b>:22F::SETR//REPU</b>         |
| :16R:SETPRTY                | :16R:SETPRTY                    |
| :95P::BUYR//BUYRGB22        | :95P::SELL//BUYRGB22            |
| :16S:SETPRTY                | :16S:SETPRTY                    |
| :16R:SETPRTY                | :16R:SETPRTY                    |
| :95P::REAG//AGENBEBE        | :95P::DEAG//AGENBEBE            |
| :16S:SETPRTY                | :16S:SETPRTY                    |
| :16R:SETPRTY                | :16R:SETPRTY                    |
| :95P::PSET//NBBEBEBB        | :95P::PSET//NBBEBEBB            |
| :16S:SETPRTY                | :16S:SETPRTY                    |
| :16R:AMT                    | :16R:AMT                        |
| :19A::SETT//EUR9900000,     | :19A::SETT//EUR9910780,         |
| :16S:AMT                    | :16S:AMT                        |
| :16S:SETDET                 | :16S:SETDET                     |



#### **4 Annex 1:**

List of NBB Settlement Securities System participants<sup>3</sup>

List of NBB Participant:

<http://www.nbb.be/doc/ti/participants.pdf>

It has to be noted that depending on the Service Level Agreement with your service provider, another BIC than the one mentioned in the list from the NBB could be asked.

In any case, it is mandatory to use the Delivering or Receiving agent NBB participant account when, in the list, the same BIC is linked to multiple NBB account (id).

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<sup>3</sup> Disclaimer: The BE NMPG is not responsible for omissions or mistakes in this list.