

Technical Newsletter - Release June 2011 #1
15 October 2010

Euroclear UK & Ireland's system enhancements of June 2011 due to introduction of the Term DBV Service

This Newsletter provides technical information and guidance relating to Euroclear UK & Ireland's CREST system enhancements to be implemented as part of the June 2011 software release.

It contains technical information regarding the new Term DBV service which allows clients to utilise the new Term DBV specific functionality in addition to the existing overnight DBV and repo collateral management functionality. This new service will allow clients to input Term DBVs with maturities of up to two years and benefit from a range of associated functional enhancements including automatic substitutions and mark to market functionality. For the Term DBV service, there will be a new set of transaction types to differentiate from overnight DBVs.

The Term DBV service will utilise the existing overnight DBVs and repo messages where possible. Where applicable these messages have been updated to accommodate the additional requirements for Term DBVs.

The changes listed below show only the messages which are new or have changed to incorporate Term DBVs. Other messages that will be applicable to Term DBV but have not changed are not listed here but a fuller description is available in the White book.

A new version of the *File Transfer Data Exchange Manual (FT DEX)*, version 20.0, is now available on www.euroclear.co.uk under **Services>Securities Lending and Collateral Management**. This version of the *DEX* will replace the previous version 19.1 in June 2011. The changes document *Changes between version 19.1 and 20.0* will highlight the details of the changes.

A further version of the *DEX* to cover the changes required for the inclusion of the DBV Haircut and the amendment of the 'value sought' and 'consideration' attributes of a Term DBV will be published in due course.

Detail of changes for Term DBVs

New Transaction Types

The following set of new transaction types will be introduced to manage the Term DBV service in Euroclear UK & Ireland's CREST system (see *Enhancing DBV functionality – New Term DBV service* for further information):

- TDO – Term DBV Outbound
- TDR – Term DBV Return
- TDI – Term DBV Interest Payment
- TDG – Term DBV Giver Recall

- TDE – Term DBV Eligibility
- TDS – Term DBV Adjustment Substitution
- TDM – Term DBV Mark-to-Market.

DBV Input

A new field has been added to the new version input message (NDDN) to differentiate an overnight DBV from a Term DBV:

- RETURN DATE.

If this field is left blank, the Euroclear UK & Ireland system will generate an overnight DBV as per the existing functionality. If however this field is populated, it will give rise to the creation of a Term DBV.

A field MARK TO MARKET has also been added to these input messages for future use. It should not be supplied and will be automatically populated by the system to 'Yes' for Term DBVs and 'No' for overnight DBVs.

DBV Instruction Details enquiry

The existing DBV (instruction) Details enquiry (NDDQ/NDDP) will be enhanced to report Term DBVs as well as the Overnight DBVs. The response message to the enquiry will be updated to include the RETURN DATE and MARK TO MARKET fields.

Stock Account Balances enquiry

The existing response messages to the Stock Account Balance enquiry (BSBQ/BSBP) will be enhanced to:

- Add the following fields
 - REPO BALANCE COLLATERAL OUT
 - REPO BALANCE COLLATERAL IN
- Rename existing field REPO BALANCE to REPO BALANCE SCR

Open Collateral Returns enquiry - New

This new enquiry (AOCQ/AOCP) will allow members to view a list of all the return transactions (TDR, DBR and RPR) that make up the new Collateral In and Collateral Out balances as returned in the Stock Account Balances enquiry.

Collateral Instruction List enquiry

The existing Repo Instruction List will be renamed to Collateral Instruction List to make it more generic since it will now also report Term DBVs. The existing ARPQ message will be replaced by a new version because of the new selection criteria. Similarly the corresponding ARPP response message will be replaced by a new version to return an additional set of fields required for Term DBVs. Refer to the change document accompanying the *DEX* for additional details.

As the existing versions of these messages will now be obsolete, members must upgrade to the new versions.

Annex A Field Changes

In addition to the changes mentioned above, *DEX* fields have changed as follows:

- Amendment of descriptions of some existing fields
- Amendment of valid values for some existing fields

- Renaming certain repo-specific fields to make them more generic in the context of Term DBVs
- Addition of new components required for Term DBVs.

Refer to the change document accompanying the *DEX* for full details of the fields impacted.

Message Changes

For a full list of the changes, please refer to the change document on www.euroclear.co.uk under **Services>Securities Lending and Collateral Management Changes between FT DEX version 19.1 and version 20.0.**

Message Type	Message Name	Retained Version	New version	Obsolete version
NDDN	DBV Input	4	5	3
NDDQ	DBV Details Request	4	5	3
NDDP	DBV Details Response	4	5	3
ARPQ	Collateral Instruction List Request	None	2	1
ARPP	Collateral Instruction List Response	None	2	1
BSBQ	Stock Account Balances Request	3	4	2
BSBP	Stock Account Balances Response	3	4	2
AOCQ	Open Collateral Returns Request	n/a	1	n/a
AOCP	Open Collateral Returns Response	n/a	1	n/a

Further information

In addition to this newsletter, further information on the changes being made in Euroclear UK & Ireland's CREST system to support the new Term DBV service are provided in *Enhancing DBV functionality – New Term DBV service*. A revised version of the *CREST reference manual* will be issued prior to the launch of the service.

Should you have any questions regarding the June 2011 release, please contact your relationship manager or the Euroclear UK & Ireland Client Contact Centre on +44 (0)845 9645648 or email client_service_london@euroclear.com.