National Bank of Belgium - Securities Settlement System
NBB - SSS

Banque Nationale Bank
DE BELGIQUE VAN BELGIË
Eurosystem

t2s
TARGET2-SECURITIES

| General Information | | |
|---|---|---|
| **Request raised by:**<br>**NBB-SSS – BDA – EB - BNPSS** | | **Date raised: 30/07/2014**<br>(*to be filled in by NBB-SSS* |
| **Request title: Autocollateralisation on auctions** | | **Request ref. no:**<br>CR-4013 NBBSSS-MCR07 |
| **Request type:** Common CR | | **Urgency:** Normal<br>(*to be filled in by NBB-SSS*) |
| **1. Legal/business importance parameter:** M | | **2. Market implementation efforts parameter:** L |
| **3. Operational/Technical risk parameter:** H | | **4. Financial impact parameter:** (H, M, L)<br>(*to be filled in by NBB-SSS*) |
| **Requestor Category:** CSD, Participant | | **Status:** (Registered, Under Preliminary assessment, Pending with CRG…)<br>Registered for UC 21/09/2017 |

**Reason for change and expected benefits/business motivation:**

The NBB-SSS are receiving several questions regarding autocollateralisation (AC) i) on auctions and ii) instructed by third parties (electronic platforms).

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**Description of requested change:**

1) SACs can be earmarked for AC on stock. For AC on flow the INX should hold EXXX. NBBSSS does not add EXXX in the INX, this must be done by the instructor.
2) Business case regarding auctions? The PD/RD should have the liquidity from underlying business.
3) The INX are settled in NTS on calendar day D around 20:00 CET and the ISIN valuation by ECB around 4 PM on calendar D+1 to be used for NTS D+1. Hence, there are no valuations for the emission day, so the question for AC on flow for auctions is rather irrelevant.
4) If BDA offers to instruct with EXXX, there is no technical obstacle in NBB-SSS, but as said there is no valuation yet.

The use of AC on flow would be possible if the ISIN exists already (e.g. Treasury Certificates auctioned a 1 year and once again 6 month before maturity) and if :
1) PD/RD is a Participant at another CSD (cross border).
2) We see in PROD that from time to time PD/RD send TRAD instructions to T2S for their auctions. If the TRAD instruction enter in T2S before the instructions of the BDA it is the TRAD RECE instruction of the PD/RD that will MACH with the DELI PLAC from BDA.

BDA agrees

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**Related documents:**

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**Proposed wording for the Change request:**

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**High level description of Impact:**

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**Outcome/Decisions:**