EIS Info session
Flows

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BanqueNationaleBank
DE BELGIQUE   VAN BELGIË
Eurosystem

Set-up in Issuer CSD

- Primary Dealers (PD) – Lead managers (LM) – Co-managers (CM)
  - ◇ have their SACs in different Investor (I)CSDs, not directly in NBB-SSS
    - ➔ Importance of links ➔ enables efficient/direct delivery in the SACs
  - ◇ have their DCA in different NCBs, linked in T2S to the SAC
    - ➔ In the hands of the Commission to manage the PD and share PD static data with NBB-SSS
- The Commission has a SAC in the NBB-SSS (is NBB-SSS Participant) and a DCA at ECB

Flow Auction

- TELSAT auction tool as front-end between the Commission (Issuer) and the Primary Dealers (PD)

- Serviced by Banque de France on behalf of the Issuer

- Collect the bids from the EC Primary Dealer Network

- TELSAT will send an ISO20022 xml message with the auction results over Corenet EXDI to the Issuer CSD NBB-SSS

  ◇ NBB-SSS consumes and enriches the xml to send the primary market instructions to T2S in STP or manual (4eyes)

    ◇ ISSU debits the ISIN on NBB-SSS SAC and credits the ISIN to Commission's SAC

    ◇ PLAC debits the Commission's SAC and credits the PDs' SACs (DVP)

    ◇ Auction results

      - ISIN, currency EUR, Trade date, Settlement date, Commission SAC

      - One line per Primary Dealer: identification code Primary Dealer, quantity and cash amount

    ◇ NBB-SSS enriches with info on where to deliver (Investor CSD, Party 1, Party 2) and SAC when cross-CSD already matched option

Flow Auction

- Import of xml in NBB-SSS application triggers syntax and quality checks before sending to T2S

  ◇ Syntax: tags and structure (some fields are mandatory, other are optional)

  ◇ Quality: dates, SAC of the Commission, checksum vs details, currency, ISIN, uniqueness of references, etc. increase the quality of the instructions before sending to T2S

- Primary Dealers

  ◇ Option "already matched instruction" applied – "MACH" in enriched xml – SAC available – PLAC settled

  ◇ Option "already matched instruction" non-applied – "NMAT" in enriched xml – PD must instructs its 2nd leg

    - Risk of errors and unmatching PLAC

    - If 2nd leg instruction is missing, T2S sends "allegement" to "Party 1" at Investor (I)CSD (if subscribed for receiving allegements)

        - If 1st leg validated before Intended Settlement Date, T2S sends allegement one hour after the first matching attempt

      Alternatively, PD can rely on the Investor (I)CSD tools as for any other trade

    - If 2nd leg remains missing – unmatched- unsettled: at "unsettled" NBB-SSS will contact EC + Investor (I)CSD with request to contact PD

Flow Syndication

- Commission instructs 1st leg of trade or requests NBB-SSS to "act on behalf"

- Lead manager (LM) / Co-managers (CM) must instruct 2nd leg of trade

  ◇ If 2nd leg instruction is missing, T2S sends allegement

    - If 1st leg validated before Intended Settlement Date, T2S sends allegement one hour after first matching attempt

  Alternatively, LM/CM can rely on the Investor (I)CSD tools as for any other trade

  ◇ If 2nd leg remains missing – unmatched- unsettled: at "unsettled" NBB-SSS will contact EC + Investor (I)CSD with request to contact LM / CM

- Settlement for Settlement date S starts at 20:00 CET (NTS) on calendar date S-1:

  - ◇ The issuance (FOP) transaction immediately settles and the Commission receives the securities on its SAC

  - ◇ Immediately after, the matched PLAC instructions start to settle linked "AFTE" (if the cash is available)

  - ◇ Transaction status is available in real-time on screen and via NSP

  - ◇ DVP settlement stops at 16:00 on S

ISSU and PLAC example

- Story

  ◇ Trade date: 13/12/2022

  ◇ Settlement date: 15/12/2022

  ◇ Placement of ISIN EU000A3KTGW6 (ISIN creation separate flow EC-NBB) – Paying Agent is ECB – Nominal 3000 Eur – Cash 3008 Eur via TELSAT

  ◇ **Instructions**

  - Issuance of 3000 EUR **EU000A3KTGW6** on **the Commission** SAC**: NBBENEXTGENERATIONEU**

  - Placement **900 EUR** against **cash 901** EUR --> Primary Dealer **Intesa Sanpaolo S.p.A.** (in **Euronext Securities Milano)**

  - **Placement 1100 EUR against cash 1105 Eur** --> Primary Dealer **BNP Paribas S.A** (in **Euroclear France)**

  - **Placement 1000 EUR against cash 1002 Eur** --> Primary Dealer **KBC Bank N.V.** (in **Euroclear Bank)**

xml message

```xml
<Document>
    <DocId>EIS151222NBBTEST</DocId>
    <SctiesSttlmTxInstr>
        <SctiesMvmntTp>DELI</SctiesMvmntTp>
        <Pmt>APMT</Pmt>
        <TxId>EIS151222NBB0001</TxId>
        <TradDt>2022-12-13</TradDt>
        <SttlmDt>2022-12-15</SttlmDt>
        <ISIN>EU000A3KTGW6</ISIN>
        <Prty>0003</Prty>
        <FaceAmt>900.00</FaceAmt>
        <SfkpgAcct> NBBENEXTGENERATIONEU</SfkpgAcct>
        <Cd>PLAC</Cd>
        <RcvgSttlmPties>
            <Dpstry>NBBEBEB01D1</Dpstry>
            <Pty1>NBBEBEB04P1</Pty1>
            <Pty2>
                <AnyBIC>NBBEBEB04P1</AnyBIC>
            </Pty2>
            <SfkpgAcct>BEDANBBEBEB04P1ACC02</SfkpgAcct>
        </RcvgSttlmPties>
        <SttlmAmt>
            <Amt Ccy="EUR">901.00</Amt>
            <CdtDbtInd>CRDT</CdtDbtInd>
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        <ISIN>EU000A3KTGW6</ISIN>
        <Prty>0003</Prty>
        <FaceAmt>1100.00</FaceAmt>
        <SfkpgAcct> NBBENEXTGENERATIONEU</SfkpgAcct>
        <Cd>PLAC</Cd>
```

Reference of the tender

Reference of the instruction

SAC of the Commission in T2S

The primary dealer

Already matched

Check sum

```xml
        <RcvgSttlmPties>
            <Dpstry>NBBEBEB04CS</Dpstry>
            <Pty1>PARBFRPPXXX</Pty1>
            <Pty2>
                <AnyBIC>PARBFRPPXXX</AnyBIC>
            </Pty2>
            <SfkpgAcct>NBBEPARB100840171089</SfkpgAcct>
        </RcvgSttlmPties>
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        <Pmt>APMT</Pmt>
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        <SttlmDt>2022-12-15</SttlmDt>
        <ISIN>EU000A3KTGW6</ISIN>
        <Prty>0003</Prty>
        <FaceAmt>1000.00</FaceAmt>
        <SfkpgAcct> NBBENEXTGENERATIONEU</SfkpgAcct>
        <Mtch>MACH</Mtch>
        <Cd>PLAC</Cd>
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            <Pty1>MGTCBEBEECL</Pty1>
            <Pty2>
                <AnyBIC>KREDBEBBXXX</AnyBIC>
            </Pty2>
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    </Total>
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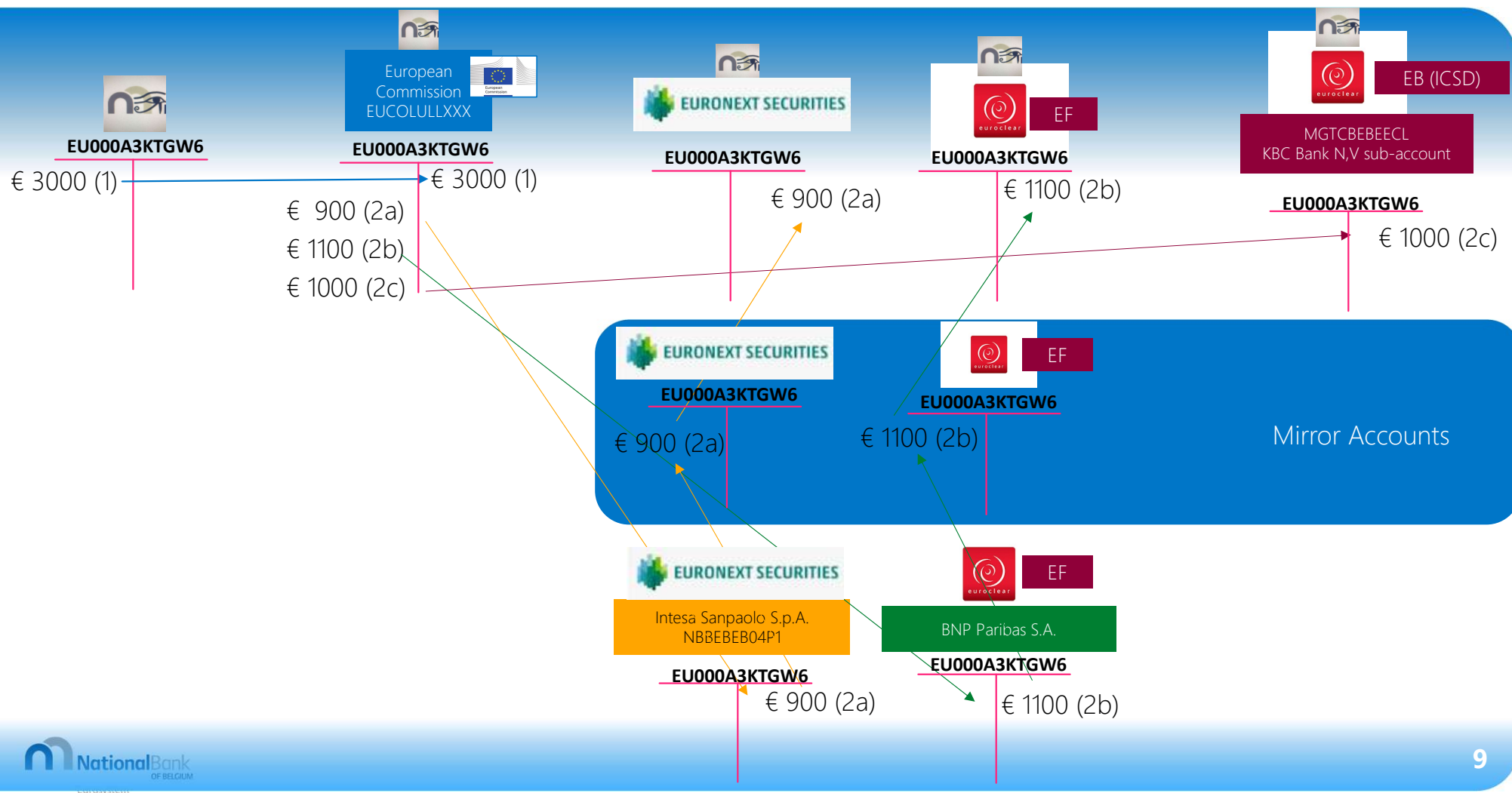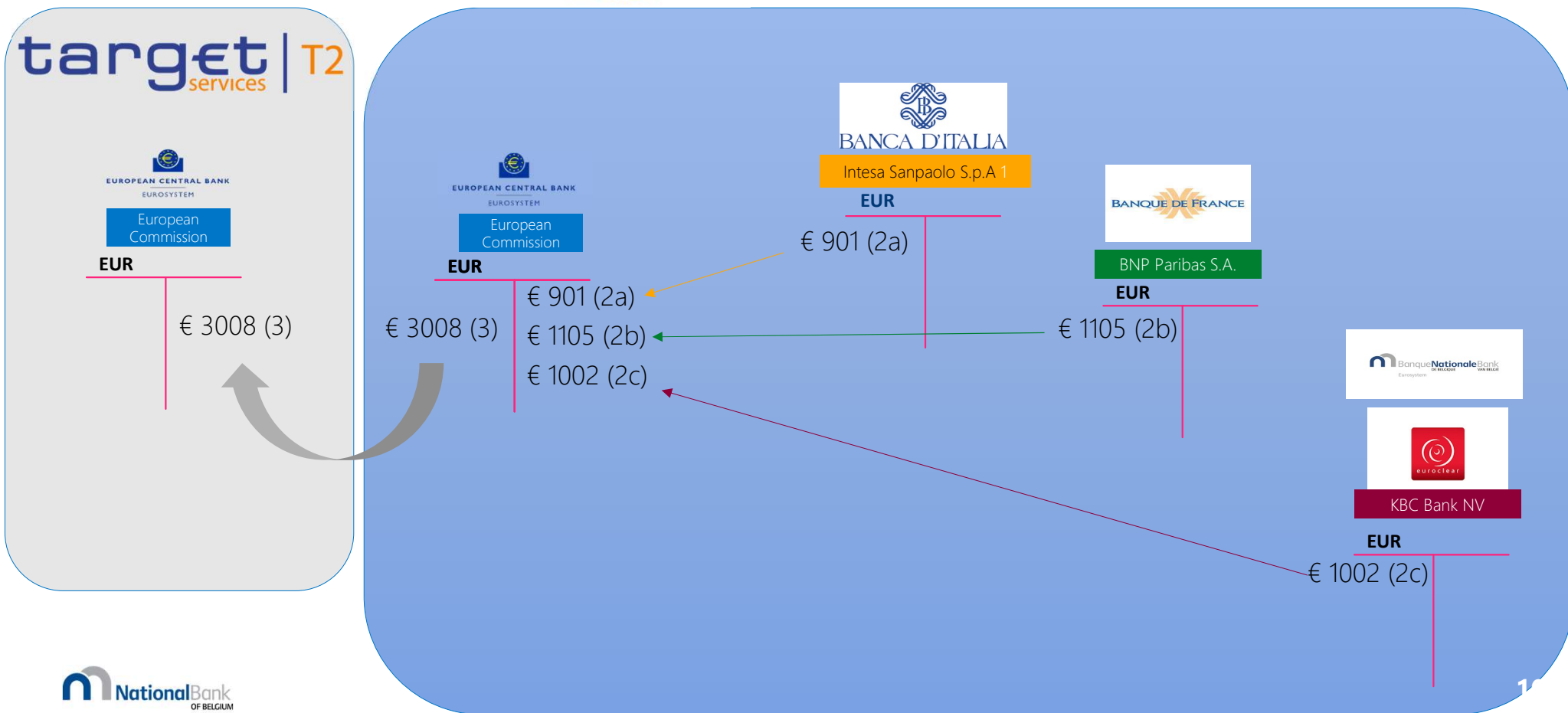
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Accounting Flows – Securities

European Commission
EUCOLULLXXX

EU000A3KTGW6

EU000A3KTGW6

EU000A3KTGW6

EURONEXT SECURITIES

EF

EB (ICSD)

MGTCBEBEECL
KBC Bank N,V sub-account

EU000A3KTGW6

€ 3000 (1)   € 3000 (1)

€ 900 (2a)

€ 1100 (2b)

€ 1000 (2c)

€ 900 (2a)

€ 1100 (2b)

€ 1000 (2c)

Mirror Accounts

EURONEXT SECURITIES

EU000A3KTGW6

EF

EU000A3KTGW6

€ 900 (2a)

€ 1100 (2b)

EURONEXT SECURITIES

Intesa Sanpaolo S.p.A.
NBBEBEB04P1

EU000A3KTGW6

€ 900 (2a)

EF

BNP Paribas S.A.

EU000A3KTGW6

€ 1100 (2b)

Accounting Flows – Cash (simultaneous as DVP)

RAMSES GUI

Details

File Content

Status	Imported	File Name	EIS151222NBBTEST
Business Date	20221202	Key	EIS151222NBBTEST
ISIN	EU000A3KTGW6	Security Name	European Union- 0.7 Bonds 2021-06.07.51

NO.	ACCT OWN REF	TRADE	SETTLEMENT	DELI	RECE	DEALER	FACE AMOUNT	PAYMENT	CASH AMOUNT
1	EIS151222NBB0001	13/12/2022	15/12/2022	EUCOLULLXXX	NBBEBEB04P1	NBBEBEB04P1	900.00 EUR	APMT	901.00 EUR
2	EIS151222NBB0002	13/12/2022	15/12/2022	EUCOLULLXXX	PARBFRPPXXX	PARBFRPPXXX	1,100.00 EUR	APMT	1,105.00 EUR
3	EIS151222NBB0003	13/12/2022	15/12/2022	EUCOLULLXXX	MGTCBEBEECL	KREDBEBBXXX	1,000.00 EUR	APMT	1,002.00 EUR
4	Total Amounts						3,000.00 EUR		3,008.00 EUR

⊘ Cancel   ☑ Process   ✖ Reject   ↗ Download

Audit

OPERATION	USER	TIME
Import	bebrouwer	20221202 15:11:38.278

Items 1 to 6 of 6 — Items on page 20 — Page 1 of 1

NO.	TYPE	ACC OWN REF	DELI	RECE	BD	INT SD	EFF SD	ISIN	FACE AMT	CUR	CASH AMT	CUR	SETT	REAS	STATUS	
1	ISSU	EIS151222NBBTEST	NBBEBEBB216 (I)	EUCOLULLXXX	05/12/2022	15/12/2022		EU000A3KTGW6	3,000.00	EUR			Unsettled	FUTU	⇄ Active	☐
2	ISSU	EIS151222NBBTEST	NBBEBEBB216	EUCOLULLXXX (I)	05/12/2022	15/12/2022		EU000A3KTGW6	3,000.00	EUR			Unsettled	FUTU	⇄ Active	☐
3	PLAC	EIS151222NBB0001	EUCOLULLXXX (I)	NBBEBEB04P1	05/12/2022	15/12/2022		EU000A3KTGW6	900.00	EUR	901.00	EUR	Unmatched	FUTU	❸ Active	☐
4	PLAC	EIS151222NBB0002	EUCOLULLXXX (I)	PARBFRPPXXX	05/12/2022	15/12/2022		EU000A3KTGW6	1,100.00	EUR	1,105.00	EUR	Unsettled	FUTU	⇄ Active	☐
5	PLAC	EIS151222NBB0003	EUCOLULLXXX (I)	MGTCBEBEECL	05/12/2022	15/12/2022		EU000A3KTGW6	1,000.00	EUR	1,002.00	EUR	Unsettled	FUTU	⇄ Active	☐
6	PLAC	EIS151222NBB0003	EUCOLULLXXX	MGTCBEBEECL (I)	05/12/2022	15/12/2022		EU000A3KTGW6	1,000.00	EUR	1,002.00	EUR	Unsettled	FUTU	⇄ Active	☐

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EIS – Failed settlement

- Unsettled: EC / Investor (I)CSD will contact PD / LM / CM

- Unsettled instructions are automatically recycled into the next day

- Transactions are subject to penalty regime => in favour of the issuer (EC has the securities), business reason can be lack of cash or 'on hold' on the side of the PD / LM / CM

- No partial settlement as the PLAC instruction are linked AFTER to the ISSU instruction

  ◇ Rule: no partial settlement on T2S for linked instructions