**Definition of the trade date for instructions on funds**

|  |  |  |
| --- | --- | --- |
| **Versioning** | Version | 1.0 |
| Publication date | April 6th, 2016 |

1. **Description of the existing practice & of the Impacts**

|  |  |
| --- | --- |
| **Description of the existing practice** | The French market has defined that for all processing, the negotiation date is the date at which the price (Net Asset Value) and quantity are known, that is:   * For unknown-price funds : Negotiation date = Date of establishment of the Net Asset Value (1) * For known-price funds: Negotiation date = Centralisation date (2)   *(1) Date of determination of the assets held by the fund used to calculate the NAV. This date can be different from the date of calculation and the date of publication.*  *(2) Setting the negotiation date at the date of establishment of the NAV as is the case for unknown-price funds would imply a retroactive application date not applicable in securities accounting.* |
|  |  |
| **Description of the T2S impact** | Pratice to be implemented upstream of the CSD: no impact at CSD level given that settlement details are validated by counterparties by the time the order is processed, thus avoiding mismatches related to gaps in the trade date.  Practice to be extended to cross-CSD operations, either as an intermediary in the transmission of orders on foreign funds, or as a Correspondent Transfer Agent or Local Transfer Agent for orders coming from foreign investors.  The implementation of this practice at the international level would allow to avoid disagreements in the trade date, which is a matching criteria. |
|  |  |
| **Description of the major issue** | Not implementing this practice would force professionals to manage an increase in mismatches, as well as issues in the application of a possible corporate action.  The objective is to avoid settlement fails, and the possible deterioriation of the service level on the application of corporate actions. |
|  |  |
| **Description of the roles and responsibilities of the actors involved**  **(OPTIONAL)** |  |
|  |  |
| **Workflows**  **(OPTIONAL)** |  |
|  |  |
| **Links with other market practices** |  |

1. **Recommended market practice**

|  |  |
| --- | --- |
| **Recommended practice** | The recommendation is to keep the current market practice. |
| **Reasons for the choice** | This market practice is already in force on the CSD model in France on French funds (Eses and outside of Eses), as well as on funds eligible to Eses.  This practice should be extended to cross-CSD operations, either as an intermediary in the transmission of orders on foreign funds, or as a Correspondent Transfer Agent or Local Transfer Agent for orders coming from foreign investors.  The implementation of this practice at the international level would allow to avoid disagreements in the trade date, which is a matching criteria. |
|  |  |
| **Description of the roles and responsibilities of the actors involved**  **(OPTIONAL)** |  |
|  |  |
| **Workflows**  **(OPTIONAL)** |  |

1. **IMPLEMENTATION**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Implementation timeline** | **Before the migration to T2S** | | **Upon go live on T2S** | | **After the migration to T2S** | | |
|   Date: \_\_\_\_\_\_\_\_ | |   Date: 12/09/2016 | |   Date: \_\_\_\_\_\_\_\_ | | |
|  |  |  | |  | |  |
| **Requirement for a specific test set** | Yes  | | | No  | | |