**Orders with separate settlement of securities and cash (Funds)**

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| **Versioning** | Version | 1.1 |
| Publication date | November 7th, 2016 |

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

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| **Description of the existing practice** | The French market wishes to implement a market practice on orders with separate settlement of securities and cash (ex: orders with cash settlement, orders on funds with pre-funding), recommending a settlement with a matched free of payment (T2S instructions DELI/RECE free).  This type of instruction is recommended by the market as it allows to settle fund shares up to the 18:00 cuto-ff, while ensuring the prior receipt of cash, as well as a matching of the delivery of securities.  This practice would allow to settle securities and cash on the same date. |
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| **Description of the T2S impact** | Market players recommend this practice (see “Charte de bonnes pratiques » that will be updated of this recommendation) on the whole of the French funds, in order to benefit from evolutions brought by T2S allowing for the delivery of securities up to 18:00 instead of 16:00 as would be the case with APMT instructions, and extend it to cross-border operations when routing orders on foreign funds, or as Correspondent Transfer Agent or Local Transfer Agent for foreign clients. Yet, this practice will be limited to a matching of securities fields, even though a change request scheduled in T2S for November 2016 will provide for a matching of cash outside of T2S. |
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| **Description of the major issue** | This practice allows for the delivery of fund shares up to 18:00. |
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| **Description of the roles and responsibilities of the actors involved**  **(OPTIONAL)** |  |
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| **Workflows**  **(OPTIONAL)** |  |
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| **Links with other market practices** | MS-SETTL-FRANCO-04 |

1. **Recommended market practice**

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| **Recommended practice** | Market players recommend this practice (see “Charte de bonnes pratiques » that will be updated of this recommendation) on the whole of the French funds, in order to benefit from evolutions brought by T2S allowing for the delivery of securities up to 18:00 instead of 16:00 as would be the case with APMT instructions, and extend it to cross-border operations when routing orders on foreign funds, or as Correspondent Transfer Agent or Local Transfer Agent for foreign clients. Yet, this practice will be limited to a matching of securities fields, even though a change request scheduled in T2S for November 2016 will provide for a matching of cash outside of T2S. |
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| **Description of the roles and responsibilities of the actors involved**  **(OPTIONAL)** |  |
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| **Workflows**  **(OPTIONAL)** |  |

1. **IMPLEMENTATION**

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| **Implementation timeline** | **Before the migration to T2S** | **Upon go live on T2S** | **After the migration to T2S** |
|   Date: \_\_\_\_\_\_\_\_ |   Date: 12/09/2016 |   Date: \_\_\_\_\_\_\_\_ |