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# RTGS Settlement Instructions via vp.ONLINE

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## User Guide

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# 1 Introduction

RTGS functions in vp.ONLINE™ are developed for customers with a small settlement volume. The functionality can be used to both report and follow up on RTGS settlement instructions, or solely to follow up on RTGS settlement instructions reported by other means.

The options depends on what has been agreed with VP, and the user rights allocated by the master user.

This guide uses the terms *Updating transaction*, *Transaction queue* and *4-eyes principle*. These terms are explained below.

## 1.1 Updating transaction

Updating transaction is defined as a transaction that creates a new settlement instruction (as is the case when the *Create RTGS* function is used) or changes the content of an existing settlement instruction (as is the case with *Instruct trade*, *Cancel trade* and *Cancel instruct*).

## 1.2 Transaction queue

Transaction queue is defined as a collection of transactions that have been queued for processing.

If the transaction queue is not empty, a transaction queue indicator is displayed in the top right-hand corner of the screen, to the left of your log-in information. For example, if there is one queued transaction, the indicator will appear as follows:

Transaction queue [1]

The figure in square brackets indicates the number of transactions in the queue.

## 1.3 4-eyes principle

The 4-eyes principle is defined as a process which requires that a transaction can only take place after being processed by 2 employees.

## 2 Rules for the matching and settlement of settlement instructions

An RTGS settlement instruction reported to VP must be matched with the RTGS settlement instruction that is reported by the counterparty. The two RTGS settlement instructions are matched when the following criteria are fulfilled:

The values in the *Trading date* field are identical.

The values in the *Settlement date* field are identical.

The values in the *ISIN* field are identical.

The values selected in *Buy/Sell* must correspond to each other.

The values in the *Quantity* field are identical.

The values in the *Settlement amount* field are identical (with a tolerance of up to DKK 100.00 or EUR 25,00, respectively. If there is a difference the seller's value is used).

The values in *currency* are identical.

The values in the *Sub-identification* field must correspond to each other, if stated.

For cross-border trading, the values in the *Sub-identification* field must correspond to each other.

### 2.1 Settlement characteristics

Settlement will be tried at the stated settlement date. If this is not possible - due to lack of cash or holding - settlement will be sought within the next 20 settlement days provided the defaulting part has re-released the instruction.

It is, however, always possible to see the original intended settlement date. This date is displayed in italics in the *Search RTGS for settlement* function.

Settlement instructions that have not been matched during the 20 business days will expire automatically at the end of the 20th business day after the original settlement day.

### 2.2 Create RTGS

This function is used for the reporting of RTGS settlement instructions to VP's clearing and settlement system. It is possible to report a settlement instruction as released. You are also allowed to release at a later stage, by using the *Search RTGS* function for settlement, marking the settlement instruction to be released.

## **2.3 Cancellation rules**

A settlement instruction that is not matched can be cancelled.

A matched settlement instruction that has not yet been released by one of the parties may be cancelled by either party at any time.

A matched and released settlement instruction that has not yet been settled can only be cancelled if both parties submit a cancellation.

## **2.4 Rules for release of a settlement instruction**

A settlement instruction on hold can be released when all conditions for the execution of the instruction are fulfilled.

## **2.5 An RTGS settlement instruction can be matched without being released, but if the RTGS settlement instruction is not matched before 20 business days have elapsed, it will expire whether it has been released or not. Settlement between two clearing members**

This function is used for the reporting of RTGS settlement instructions where the counterpart is a clearing member. From the menu, *Create RTGS* is selected.

## Create RTGS

Participant information	
Participant	000VP VP SECURITIES A/S
Sender reference *	<input type="text"/>
VP securities account holder *	<input type="text"/> BIC <input type="text"/>
VP securities account *	<input type="text"/>
Trade date *	<input type="text"/> <input type="button" value="Calendar"/>
Settlement date *	<input type="text"/> <input type="button" value="Calendar"/>
ISIN *	<input type="text"/>
Quantity *	<input type="text"/> <input type="radio"/> Buy <input type="radio"/> Sell
Cash amount	<input type="text"/> <input type="button" value="Select ..."/>
Sub identification	<input type="text"/>

Counterpart information	
Participant *	<input type="text"/> BIC <input type="text"/>
BIC counterpart's CSD	<input type="text"/>
Sub identification	<input type="text"/>

General information	
Release instruction *	<input type="button" value="No"/>
Register hold *	<input type="button" value="No"/>
Internal text	<input type="text"/>
External text	<input type="text"/>

Figure 1. The "Create RTGS" function.

All fields marked with an asterisk (\*) must be completed.

### 2.5.1 Part information

**PARTICIPANT:** Identification of the trading participant. The field is fixed and cannot be changed.

**SENDER REFERENCE:** Sender reference for the notification.

**VP SECURITIES ACCOUNT HOLDER:** Enter the 5-digit identification of the account holder (CD ident).

**VP SECURITIES ACCOUNT:** Enter the identification of the VP securities account with the account holder to be used.

**TRADING DATE:** Date on which the trade is transacted. This must be entered in the DDMMYYYY format, or selected by clicking on the calendar icon.

**SETTLEMENT DATE:** Date on which the RTGS settlement instruction must be settled. This must be entered in the DDMMYYYY format, or selected by clicking on the calendar icon.

**ISIN:** International Securities Identification Number (in accordance with ISO Standard 6166).

**QUANTITY:** Enter the volume of the financial instrument to be settled and state whether the quantity is being purchased or sold. For settlement of bonds it is possible to report quantity with two decimals.

**CASH AMOUNT:** Enter the monetary amount and currency, with currency selected in the drop-down list. It is possible to state the amount with two decimals.

**SUB-IDENTIFICATION:** Enter the identification of the counterparty at the foreign clearinghouse traded with. Note that this field only should be completed if the counterparty is a customer of a foreign CSD.

## 2.5.2 Counterpart information

**PARTICIPANT:** Enter the 5-digit identification of the counterparty. If the counterparty is a customer of a foreign CSD, its CD-ident with VP must be stated, and the counterparty's identification in the foreign CSD is stated in the *Sub-identification* field.

**BIC COUNTERPARTY'S CSD:** The BIC code for the counterparty's CSD. This is stated in the event of cross-border transactions between VP and VP LUX, the CSD where the counterparty (traded with) is a participant.

**SUB-IDENTIFICATION:** Enter the identification of the counterparty of the foreign CSD that is traded with. Note that this field should only be completed if the counterparty is a customer of a foreign CSD.

## 2.5.3 General information

**RELEASE INSTRUCTION:** It is possible to enter a settlement instruction as released. If the instruction is to be released at the same time as it is established, Yes is selected. If not, No is selected.

**REGISTER HOLD:** Indicate whether the shares purchased are to be registered in the name of the holder. If this is the case, select Yes. If not, select No.

**INTERNAL TEXT:** A text field to be used freely for internal purposes.

**EXTERNAL TEXT:** A text field to be used freely for the exchange of information between the part and the counterparty. Please note, however, that VP cannot guarantee that the counterparty will receive this information, as this is controlled by the counterparty's Custodian.

### 3 Search RTGS

This function displays own RTGS settlement instructions. It displays both unmatched and matched settlement instructions. From the menu, RTGS for settlement "Search for settlement instructions" is selected.

#### 3.1 Search

The screenshot shows a web form titled "Search criteria" with the following fields and controls:

- From settlement date \***: Text input with value "20140317" and a calendar icon.
- To settlement date \***: Text input with value "20150129" and a calendar icon.
- ISIN**: Empty text input.
- VP securities account holder**: Text input with value "F5201".
- VP securities account**: Text input with value "F5201ABFH" and a "Change" button.
- Sender reference**: Empty text input.
- Status**: A dropdown menu with a blue background, showing a list of options: "Unmatched", "Ready for settlement", "Settled", "Cancelled", "Matched", "Released", and "Declined".
- Find**: A button next to the ISIN field, with radio buttons for "Name" (selected) and "ISIN".
- Search** and **Reset**: Buttons at the bottom right of the form.

Figure 2. The "Search Pending RTGS Settlement Instructions" function.

Both *From settlement date* and *To settlement date* must be entered to be able to initiate the search.

**FROM SETTLEMENT DATE:** The settlement date as from which settlement instructions are to be searched, is by default completed with the current settlement day if searched before 18:00, after 18:00 it will be the next-following settlement date (i.e. banking day). The field is mandatory, and the search includes the stated date. If another date than the pre-completed date is stated, the *To settlement date* field will be completed automatically with the same date.

**TO SETTLEMENT DATE:** By default, the settlement date up to which settlement instructions are to be searched is completed with today's date if searched before 18:00, after 18:00 it will be the next-following settlement date (i.e. banking day).

**ISIN:** A full or part of an ISIN, or part of the ISIN name, can be entered.

**VP SECURITIES ACCOUNT HOLDER:** Enter the 5-digit identification of own account holder.

**VP SECURITIES ACCOUNT:** Enter the identification of own VP securities account with the account holder.

**SENDER REFERENCE:** Enter the sender reference for a notification. The sender reference is entered in full or can be searched with an asterix (\*- all occurrences). Search for sender reference disregards upper and lower case.

**STATUS:** By default all statuses are selected. The Search can include - Unmatched - Ready for settlement - Settled – Cancelled - Matched - Released or Declined. To deselect a status, hold the CTRL key down while clicking on the status in question. A specific status of a settlement instruction can also be searched.

### 3.2 Search result

The search result appears as a list, as shown below:

Found 4 hits fetched at 2015.01.29 11:05:37

ISIN	Counterpart	Counterpart CSD	Sub idents part / cpart	VP securities account	Quantity	Amount	Sender reference	Tradedate	Settlement date	Created/last changed
DK0009911984 10,00% STAT KONVO...	F0725	ZYAIDKKO	/	F5201ABFH	2,00 Cancelled	0,00	TEST-HS3-CANS-01	2014.10.24	2014.10.28	0001.01.01 00:00:00 2014.10.24 12:17:24
LUJOE0001234 0,00% Danba, VP L...	01070	ZYCOLLULO	F5201-SUB / 01070-SUB	F5201ABFH	2,00 Cancelled	0,00	JOE-INSTRUCT-AA	2014.09.08	2014.09.08	2014.09.05 10:36:52 2014.09.05 10:49:54
LUJOE0001234 0,00% Danba, VP L...	01070	ZYCOLLULO	F5201-SUB / 01070-SUB	F5201ABFH	0,10 Refused	0,00	JOE-18-11	2014.03.18	2014.03.19	2014.03.18 07:31:10 2014.04.16 12:21:09
DK0009911984 10,00% STAT KONVO...	F0725	ZYAIDKKO	/	F5201ABFH	-2,00 Cancelled	10,00 DKK	TEST-FORC-01A	2015.01.07	2015.01.08	2015.01.07 08:34:25 2015.01.07 09:11:47

Figure 3. Result from " Search Pending RTGS Settlement Instuctions ".

The search result displays the status of the settlement instruction, i.e. whether it is "ready for settlement" or not. In the latter case, a status text stating why is also displayed.

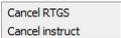
### 3.3 Search options.

It is possible to perform updating transactions. In *Search instructions for settlement* there will be various options for a given settlement instruction.

An actions is performed by clicking on the required row in the search result, after which a menu is displayed, as shown below:

Figure 4. Opportunities in " Search Pending RTGS Settlement Instuctions ".

This contains the actions that can be performed for the settlement instruction in question.



#### 3.3.1 Transaction queue

It is possible to create a RTGS settlement instruction without releasing it during the reporting. If this occurs the settlement instruction will end up in the transaction queue.

If the settlement instruction is to be released, click on the settlement instruction in question in the search result in the transaction queue. The possible actions are displayed, and *Release instruction* is selected. This takes place with due account of the rules for when and how a release can take place (see 2.3). The transaction will be placed in the queue. The screen with the search result remains open.

If a 4-eyes procedure is implemented the release will have to be approved by another person that subsequently search for it in the transaction queue.

### **3.3.2 Hold instruct**

This function makes it possible to put the settlement instruction previously released on hold.

If a settlement instruction is to be put on hold, click on the settlement instruction in question in the search result. The possible actions are displayed, and *Hold Instruct* is selected. The transaction is placed in the queue. The screen with the search result remains open.

### **3.3.3 Cancel RTGS**

This function makes it possible to cancel an RTGS settlement instruction with reference to the rules for when and how cancellation can take place (see [2.2](#)).

If a settlement instruction is to be cancelled, click on the settlement instruction in question in the search result. The possible actions are displayed, and *Cancel RTGS* is selected. The transaction is placed in the queue. The screen with the search result remains open.

# 4 Search a counterpart's unmatched settlement instructions

This function displays RTGS settlement instructions reported by others with you as counterpart, and that are not yet matched. From the menu, select RTGS "Search counterpart's unmatched settlement instructions".

## 4.1 Search

Figure 5. The "Search counterpart's unmatched settlement instructions" function.

General search can be selected, i.e. without entering search criteria. The search can be defined in more detail by stating:

**SETTLEMENT DATE:** Date of settlement. By default this is completed with today's date and must be entered in the DDMMYYYY format, or by clicking on the calendar icon.

## 4.2 Search result

The search result appears as a list, as displayed below:

Found 2 hits fetched at 2015.01.29 12:49:28

ISIN	Counterpart	Counterpart CSD	Quantity	Amount	CP Reference	Tradedate	Settlement date	Sub idents part / cpart
LUJ0E0002356	F0725	ZYAIK0	2.00	0.00	VP20150129001210	2015.01.29	2015.01.29	F5201-SUB / F0725-SUB
LUJ0E0002356	F0725	ZYAIK0	-3.00	0.00	VP20150129001216	2015.01.29	2015.01.29	F5201-SUB / F0725-SUB

Figure 6. Result from "Search counterpart's unmatched settlement instructions".

If there is more than one VP securities account, the search result will be organised by securities account.

By default, the search result is primarily sorted in ascending order by the *Settlement date* column, and secondarily by the *ISIN* column.

In the *Settlement date* column, besides the settlement date a status of the settlement instruction is displayed, e.g. that this has not yet been released.

## 5 Search holdings

This function shows holdings, holdings marked for partial redemption, investment funds and shares registered in the name of the holder. From the menu, *RTGS - Search holdings* is selected.

### 5.1 Search

When this menu item is selected, the following screen is displayed:

Figure 7. The "Search Statement of holdings" function.

**VP SECURITIES ACCOUNT HOLDER:** Enter the 5-digit identification of own account holder.

**VP SECURITIES ACCOUNT:** Enter the identification of the VP securities account with the account holder to be searched.

### 5.2 Search result

ISIN	ISIN name	Quantity	Currency	Remarks	Last modified
CY0000012340	TestelskabAB T-ret	10.000000	DKK		2015.01.19
DK0009236481	2,50% ROMBYG INDEX 2021	0.710000	DKK		2015.01.08
DK0009600983	6,00% ROMBYG PERIKUM 2020	61.000000	SEK		2015.01.07
DK0009723637	1,25% NYK 2S 2016	200,750.000000	DKK		2015.01.06
DK0009911984	10,00% STAT KONVOBLG KONVOBLG 2016	3.000000	DKK		2014.08.27
DK0010000470	02000 Andeby1 A Aktie DK0010000470	1,000,448.000000	DKK		2015.01.06
DK0010000710	LonePapirkli2 Praef Aktie Ord8 BET. FOR 100007	5.000000	EUR		2013.05.02
DK0010006675	02000 Andeby1 B Aktie AKTIE 1000667	397.000000	DKK		2014.10.27
DK0010010438	02000 Andeby1 A Aktie TEST AF A AKTIER	1.000000	DKK		2014.12.01
DK0010101070	Invest--10101 A 10101070	3,896.000000	DKK		2014.09.29
DK0010202266	Kort 29100 B Aktie	738,903.000000	EUR		2014.10.02
DK0010305317	Sophus H. Eft FALCK NY	802.000000	DKK		2015.01.08
DK0011144251	02000 Andeby1 A Aktie BET. FOR 1114425	7.000000	DKK		2014.12.03
DK0015756944	Chicken LTDUK B Aktie JOLTEST - KONVERT	100,000.000000	DKK		2015.01.06

Figure 8. Result from "Search Statement of holdings".

By default, the search result is sorted in ascending order by the *ISIN* column. The *Remarks* column states the share of the holdings registered by name or redeemed, if one of the two conditions applies.

The *Last modified* column states the date of the last change in holdings. This column can be used as an alternative sorting criterion by clicking on the column heading.

## 6 ISIN search

This function is used to search ISINs. The function can only be used from the functions in RTGS.

### 6.1 ISIN list

Searching by ISIN displays this view:

#### ISIN list

Found 7 hits fetched at 2014.10.02 08:54:31

ISIN	Short name
LUJJOE0000988	JOE 01
LUJJOE0002349	3,50% Danskebank joetest 2015
LUJJOE0002356	3,50% Danskebank joetest 2015
LUJJOE0003453	4,00% Danskebank joetest 2016
LUJJOE0004568	4,25% Danskebank joetest 2015
LUJJOE0005672	4,50% Danskebank joetest 2015
LUJJOE0006787	3,50% Danskebank joetest 2015

Figure 9. List of ISINs.

By default, the list is sorted in ascending order by the ISIN column.

If nothing is entered in the ISIN field, the list will display all ISINs for the VP securities account.

### 6.2 Selection of ISIN

On moving the cursor over the ISIN list, the rows' background colour will change, as shown in the screen below:

ISIN	Short name
JOELUAKT0005	joeakt
JOELUDEX0004	Fond 1 D
JOELUDEX0012	Fond 1 D
LU0000001122	4,00% dansksampo 1S 25A 2016
LU0000001353	5,05% Danskebank Pub 0201 2023
LU0039216972	4,05% OK luxtest mdl. afd 2014
LU0401793137	4,00% dansksampo Test LUX 2014

Figure 10. Indication of clickable rows.

Select an ISIN by clicking on the row in question to get back to the previous RTGS. The selected ISIN will now be stated in the ISIN field and its name will be stated in lower case under the ISIN field.