



## Document Revision History

<b>Version Number</b>	<b>Date</b>	<b>Who</b>	<b>Description</b>
1.0 (draft)	August 30, 2006	John Booth	Initial document based on Aug 17, 2006 conference call.
1.1 (draft)	January 4, 2007	Jeff Zoller	Updated draft based on follow-up meetings.
1.2 (draft)	January 15, 2007	Jeff Zoller	Updated draft based on comments from conference call on Jan 11.
1.3 (draft)	February 2, 2007	Jeff Zoller	Updated draft based on comments from conference call on Jan 25.
1.4 (draft)	March 13, 2007	Jeff Zoller	Updated draft based on comments from conf. calls on Feb 9 and Mar 1.
1.5 (draft)	March 30, 2007	Jeff Zoller	Updated draft based on discussions at March working group meeting (Mar 20); simplified document structure.

## Table of Contents

---

1.0	INTRODUCTION AND SCOPE	4
1.1	IN-SCOPE ELEMENTS	5
1.2	OUT-OF-SCOPE ELEMENTS	6
2.0	EXCHANGES OF SETTLEMENT DATA FOR SECURITIES & CASH/FX	6
2.1	CUSTODIAN TO INVESTMENT MANAGER HANDOFFS (ACCOUNT SETTLEMENT INSTRUCTIONS)	6
2.2	INVESTMENT MANAGER TO BROKER HANDOFFS (ACCOUNT SETTLEMENT INSTRUCTIONS)	7
2.3	BROKER TO INVESTMENT MANAGER HANDOFFS (BROKER DELIVERY INSTRUCTIONS)	7
2.4	INVESTMENT MANAGER TO CUSTODIAN COMMUNICATIONS (BROKER DELIVERY INSTRUCTIONS)	8
2.5	GUIDING PRINCIPLES FOR EXCHANGES OF STANDING SETTLEMENT INSTRUCTION DATA	8
3.0	REQUIRED DATA ELEMENTS FOR EXCHANGES OF SSI – SECURITIES	9
4.0	SAMPLE FORMATS FOR THE EXCHANGE OF STANDING SETTLEMENT INSTRUCTIONS – SECURITIES	12
4.1	CUSTODIAN TO INVESTMENT MANAGER: SUB-CUSTODIAN NETWORK	12
4.2	CUSTODIAN TO INVESTMENT MANAGER: ACCOUNT SPECIFIC DATA	13
4.3	INVESTMENT MANAGER TO BROKER	14
4.4	BROKER TO INVESTMENT MANAGER	16
4.5	INVESTMENT MANAGER TO CUSTODIAN	18
5.0	IDENTIFICATION OF SETTLEMENT PARTIES FOR CASH AND FX TRANSACTIONS	19
6.0	REQUIRED DATA ELEMENTS FOR EXCHANGES OF SSI – CASH AND FX	19
7.0	SAMPLE FORMATS FOR THE EXCHANGE OF STANDING SETTLEMENT INSTRUCTIONS – CASH AND FX	22
7.1	CUSTODIAN TO INVESTMENT MANAGER: CASH/FX AGENT BANK NETWORK	22
7.2	INVESTMENT MANAGER TO BROKER	24
7.3	BROKER TO INVESTMENT MANAGER	26
7.4	SAMPLE FORMAT: INVESTMENT MANAGER TO CUSTODIAN	27
	APPENDIX I – LISTING OF SSI SECURITY TYPE CODES	28
	APPENDIX II – MAPPING SSI SECURITY TYPE CODES TO ISITC SECURITY TYPES	29
	APPENDIX III – REFERENCES	30
	APPENDIX IV – REQUIRED CLEARING CODES FOR CASH / FX	31
	APPENDIX V – MAPPING TO SWIFT 541/543 MESSAGES	32
	APPENDIX VI – MAPPING TO ALERT	33

## 1.0 Introduction and Scope

Investment managers maintain databases of their brokers' settlement instructions for communication to their custodians for settlement of trades. Similarly, brokers maintain databases of investment managers' account settlement instructions. Local processes for the maintenance and communication of these instructions, both at account set-up and upon the execution of a trade, often result in unmatched instructions and high exception and settlement fail rates.

The objective of this proposal is twofold. First, this proposal seeks to establish standards for the required content for the exchange of standing settlement instructions among trading and settlement partners. We believe that this will address a number of inconsistencies that currently exist among participants in this process.

Second, we recognize the various initiatives that exist to automate the maintenance and transmission of SSIs<sup>1</sup>. Although this proposal will not address those issues, we will however, publish sample formats to be used for communicating settlement instructions when transmitting via fax or e-mail. Note that these templates are not meant to replace existing electronic transfers of settlement instructions among parties to the extent that they currently exist. However, a review of the content of these electronic exchanges should occur to verify that the data elements recommended in this proposal are appropriately included.

This proposal addresses the following hand-offs:

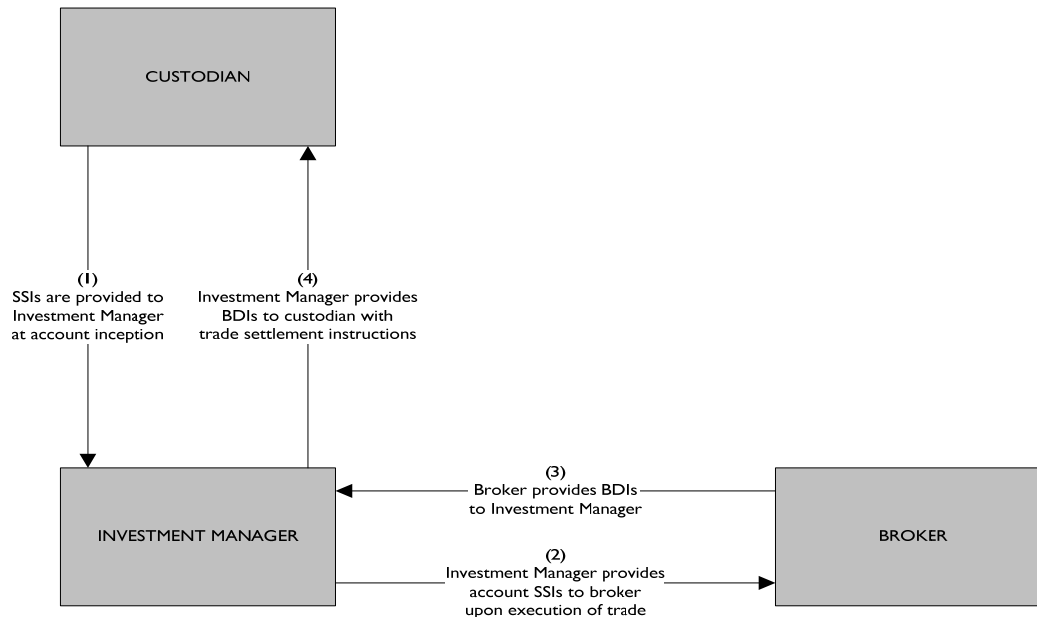
- 1) Upon account inception, custodian provides a set of account standing settlement instructions to the investment manager.<sup>2</sup>
- 2) Ongoing, custodian provides updates to account standing settlement instructions to the investment manager.
- 3) Upon the opening of a trading account, the investment manager provides the account's standing settlement instruction to the broker.
- 4) Ongoing, the investment manager provides updates to account standing settlement instructions to the broker.
- 5) Upon account opening with the broker, broker provides a set of delivery instructions to the investment manager.
- 6) Ongoing, broker provides updates to delivery instructions to the investment manager.
- 7) Upon execution of a trade, the investment manager provides the broker's delivery instructions to the custodian (generally with the settlement instruction details).

---

<sup>1</sup> For the purposes of this document, "SSI" is used to describe both account standing settlement instructions and broker delivery instructions (sometimes referred to as "BDI").

<sup>2</sup> The global custodian's network information is often provided independently of the investment manager's account-specific data, such as the account number at the global custodian or for the local settlement venue. This proposal takes this into consideration.

A simplified illustration of this process follows:



## 1.1 In-Scope Elements

The scope of this document covers the following business domains:

- Settlement instruction types:
  - Delivery versus payment
  - Free delivery and free receipt
- Transaction types:
  - Normal security and cash/FX trade settlement
- Financial instruments:
  - Equity and fixed income (including corporate bonds, government issues, and short-term/Treasury) securities
  - Cash / FX
- Intermediary agents:
  - Although not discussed in this document or provided in the sample formats/templates, intermediary information should be provided where applicable and in accordance with market practice.

## 1.2 Out-of-Scope Elements

This proposal will not address the following areas:

- Ownership of SSI/BDI models and repositories
- Endorsement of specific technologies which support this process
- Net settlement transactions, such as pair-offs
- Additional information required by brokers or custodians related specifically to opening an account (and not required for trade settlement processing) for an investment manager/client and any associated due diligence processes related to account openings

## 2.0 Exchanges of Settlement Data for Securities & Cash/FX

This section describes the various handoffs that occur for settlement instructions. Note that these processes are the same for securities and cash/FX data.

### 2.1 Custodian to Investment Manager Handoffs (Account Settlement Instructions)

Custodians will provide an investment manager with a generic set of settlement instructions for their global sub-custodian network (for securities) or their agent bank network (for cash/FX) when:

- A client establishes a new account with the global custodian
- A client changes investment managers
- Changes to the global custodian's network occur
- Changes to the account number at the global custodian occur

These generic instructions are typically preceded or followed by account-specific information (i.e., the account name and number at the global custodian and/or the account number at the sub-custodian for specified markets). Ideally, this information would be combined and transmitted in a single communication. We recognize that custodian systems may not be able to support incorporating account-specific information in the same file with its sub-custodian network information, and that the cost of making such a change may be significant and therefore outweigh the benefits. Further, the account opening process in all markets doesn't always coincide with account inception. These situations should not preclude a custodian from providing its sub-custodian network information prior to account inception. Investment managers should establish processes to take-in this data and supplement it with account specific information as settlement accounts are opened in each market<sup>3</sup>.

---

<sup>3</sup> Note: The global custodian typically maintains a single cash account at its local agent banks, so this is generally not an issue for cash/FX instructions. The investment manager's account is identified by the account name/account number at the global custodian (in the "final beneficiary" section of the message. See section 6.0 for more details.

## **2.2 Investment Manager to Broker Handoffs (Account Settlement Instructions)**

In this section, we give recognition to the prevalent use of industry utilities to enable brokers to electronically access an investment manager's account settlement instructions. We encourage the automated exchange and retrieval of settlement data wherever possible. In that respect, sections 3.0 and 6.0 should be used as guidance in determining the minimum required data elements that should be populated in such utilities for securities and cash/FX, respectively. Similarly, for investment managers that provide account settlement instructions to brokers manually, the minimum required data elements outlined in sections 3.0 and 6.0 should be included in those transmissions as well.

In sections 4.3 (for securities) and 7.2 (for cash/FX), we aim to assist investment managers that employ manual processes by providing a recommended format for communicating account settlement instructions to brokers, and to assist brokers by promoting the use of a consistent format in order to facilitate automated uploads of such information into their systems and repositories.

Investment managers will provide brokers with a complete set of account settlement instructions and related updates when:

- An investment manager opens a trading account with the broker
- Changes to the sub-custodian network of the account's custodian occur
- Changes to the account number at the global custodian occur
- Changes to investment manager account name or account number occur (i.e., fund mergers)

Typically, the full set of settlement instructions received from the account's global custodian will be provided to the broker, supplemented by a number of data elements that identify the investment manager and the account in the investment manager's systems.

## **2.3 Broker to Investment Manager Handoffs (Broker Delivery Instructions)**

Brokers will provide an investment manager with a set of delivery instructions for their global clearing and agent bank networks when:

- An investment manager opens a trading account with the broker (for one or multiple markets) at account inception or at the inception of the relationship with the broker
- An investment manager subsequently opens trading accounts in additional markets with the broker
- Changes to the broker's global clearing network occur

It is recommended that a complete set of global delivery instructions is provided to the investment manager, irrespective of the number of markets in which the investment manager is trading with the broker. We believe that this provides consistency in the delivery of data among broker firms and enables the investment manager to make individual determinations as to whether to load all data into their systems, or just that data applicable to open trading accounts with the broker.

## 2.4 Investment Manager to Custodian Communications (Broker Delivery Instructions)

In the handoffs described above, account settlement instructions and broker delivery instructions have been exchanged in bulk and in advance of trade execution. However, investment managers typically provide broker delivery instructions to custodians at the time of execution for a specific account and with the trade execution details.

As was done in section 2.2, we recognize the growth in automation for transmitting settlement instructions to custodians (e.g., via SWIFT). Therefore, sections 3.0 and 6.0 should be used guidance in determining the minimum required data elements that should be populated in a settlement instruction for securities and cash/FX, respectively, whether communicated in an automated fashion or manually.

For those investment managers that have not yet automated the settlement instruction process, we have provided a recommended format for communicating settlement instructions to custodians manually (see section 4.5 for securities and section 7.4 for cash/FX), further promoting consistency in order to facilitate automated uploads of such information by custodians into their systems and repositories.

## 2.5 Guiding Principles for Exchanges of Standing Settlement Instruction Data

In order to facilitate the data set-up and maintenance processes by the recipient parties in their standing settlement instruction databases, we recommend the following<sup>4</sup>:

- The recommended data elements, as outlined in sections 3.0 (for securities) and 6.0 (for cash/FX) below, should be provided to the recipient in all cases, unless such information is not applicable for a specific market.
- Data provided in manual form should follow a consistent format, such as that which is recommended in sections 4.1 – 4.5 and 7.1 – 7.4 below.
- Information for a custodian's or broker's global network should be provided to the recipient, not just the information for those markets in which the investment manager has opened accounts for trading and settlement. It will be left to the discretion of the recipient to load all data into its standing settlement instruction database, or just those markets in which the investment manager trades/plans to trades.
- When changes are made to account settlement instructions or broker delivery instructions, a complete and updated set of settlement instructions should be provided to the recipient parties. The sender should summarize what changes have been made in the communication to the recipient.<sup>5</sup>

---

<sup>4</sup> These guidelines are applicable where settlement instructions are exchanged in bulk.

<sup>5</sup> Often, the custodian or broker sends a communication which describes only the changes being made. We recommend that custodians and brokers provide a full set of updated settlement instructions to enable all downstream parties to choose whether to overwrite their entire suite of instructions for that entity or just those instructions that have been updated.

- When the custodian makes changes to account-specific information, including opening new accounts in local markets, a complete and updated set of account-specific data for all open markets should be provided. The custodian should summarize what changes have been made for ease of identification by the investment manager.<sup>6</sup>
- All parties should reconcile and update account standing settlement instructions no less frequently than annually.

### 3.0 Required Data Elements for Exchanges of SSI – Securities

In this section, we outline the recommended data elements that should be provided for the settlement of securities transactions. Please take note of the following:

- If a cell in the table has been grayed-out, the data element in that row is not applicable for the indicated handoff.
- Reasons for marking fields as optional (O) or conditional (C) have been provided in the footnotes.
- Certain information marked as required is typically not included in a settlement instruction transmitted electronically (i.e., via SWIFT) from an investment manager to a custodian, such as broker name, local agent name, etc. We recommend that investment managers include this information in manual transmissions for 1) clarity, and 2) to assist in cross-referencing exercises for downstream recipients, such as custodians also acting in the capacity of accounting agents.

Data Element	Mandatory / Optional / Conditional	<u>Account SSIs:</u> Custodian Handoff to IM	<u>Account SSIs:</u> Investment Mgr Handoff to Broker	<u>BDIs:</u> Broker Handoff to IM	<u>BDIs:</u> Investment Mgr Communication to Custodian
--------------	------------------------------------	---	--	--------------------------------------	---

General information:					
Settlement Effective Date <sup>7</sup>	C	15-Mar-2007	15-Mar-2007	<i>(not applicable for this example)</i>	

Data elements that identify the local settlement venue:					
Market Name	O	France	France	France	France
ISO Country Code	M	FR	FR	FR	

<sup>6</sup> Often, the custodian or broker sends a communication which describes only the changes being made. We recommend that custodians and brokers provide a full set of updated settlement instructions to enable all downstream parties to choose whether to overwrite their entire suite of instructions for that entity or just those instructions that have been updated.

<sup>7</sup> Applicable only when communicating updates to existing settlement instructions or to indicate the effective date for opening account in a new market. The effective date is applicable to all trades settling on or after the indicated date. The recommended format for this field is DD-MMM-YYYY.

Data Element	Mandatory / Optional / Conditional	<u>Account SSIs:</u> Custodian Handoff to IM	<u>Account SSIs:</u> Investment Mgr Handoff to Broker	<u>BDIs:</u> Broker Handoff to IM	<u>BDIs:</u> Investment Mgr Communication to Custodian
--------------	------------------------------------	---	--	--------------------------------------	---

**Data elements that identify the local settlement venue:**  
(continued from previous page)

Security Type <sup>8</sup>	M	EQTY	EQTY	EQTY	EQTY
Place of Settlement BIC	M	SICVFRPP	SICVFRPP	SICVFRPP	SICVFRPP

**Data elements that identify the global custodian and the account at the global custodian<sup>9</sup>:**

Global Custodian Name	M	Custodian ABC	Custodian ABC		
Global Custodian BIC	M	CUSTUS33	CUSTUS33		
IM's Account Name at the Global Custodian	M	Account XYZ	Account XYZ		
IM's Account Number at the Global Custodian	M	00XYZ	00XYZ		

**Data elements that identify the executing broker<sup>9</sup>:**

Executing Broker Name	M			Broker XXX	Broker XXX
Executing Broker BIC	M			BRKRUS33	BRKRUS33
Executing Broker Participant ID at the Local Depository <sup>10</sup>	C			<i>(not applicable for the market chosen in this example)</i>	<i>(not applicable for the market chosen in this example)</i>

**Data elements that identify the settlement agent in the local market and the account in that market<sup>11</sup>:**

Local Agent Name	M	Sub-Custodian No. 1 – Paris	Sub-Custodian No. 1 – Paris	Clearing Agent No. 1 – Paris	Clearing Agent No. 1 – Paris
------------------	---	-----------------------------	-----------------------------	------------------------------	------------------------------

<sup>8</sup> See Appendix I for a listing of security type codes.

<sup>9</sup> We recognize that these items will be repetitive, but believe that including these data elements in the recommended templates (see sections 4.1 – 4.5 and 7.1 – 7.4) will facilitate automated uploads into recipient standing settlement instruction databases.

<sup>10</sup> To be provided where applicable or required by local market practice; otherwise, these fields may be left blank.

<sup>11</sup> Note: in some markets, the custodian or broker may be self-clearing (i.e., global custodian and settlement agent may be the same). Where this is the case, both the global custodian / executing broker fields (as applicable) and the local settlement agent fields should still be populated.

Data Element	Mandatory / Optional / Conditional	Account SSIs: Custodian Handoff to IM	Account SSIs: Investment Mgr Handoff to Broker	BDIs: Broker Handoff to IM	BDIs: Investment Mgr Communication to Custodian
--------------	------------------------------------	---------------------------------------	--	----------------------------	---

**Data elements that identify the settlement agent in the local market and the account in that market<sup>12</sup>:  
(continued from previous page)**

Local Agent Address <sup>13</sup>	C	ABCD, Rue de la Victorie 75002 Paris, France	ABCD, Rue de la Victorie 75002 Paris, France	10000, Rue de la Victorie 75078 Paris, Cedex 02, France	10000, Rue de la Victorie 75078 Paris, Cedex 02, France
Local Agent BIC	M	SUB1FRPP	SUB1FRPP	CLR1FRPP	CLR1FRPP
Local Agent – Participant ID at Local Depository <sup>14</sup>	C	12345	12345	33333	33333
Global Custodian's Account Name at the Local Agent <sup>14</sup>	C	Account ABC01	Account ABC01		
Global Custodian's Account Number at the Local Agent <sup>14</sup>	C	ABC01U	ABC01U		
Executing Broker's Account Name at the Local Agent <sup>14</sup>	C			Broker XXX & Co, New York	Broker XXX & Co, New York
Executing Broker's Account Number at the Local Agent <sup>14</sup>	C			BKRAA	BKRAA

**Data elements that identify the investment manager and the account at the investment manager:**

Investment Manager Name	M		Investment Manager IM1		
Investment Manager BIC	M		IM01US33		
Investment Manager's Account Name	M		IM1 Account AAA		
Investment Manager's Account Number	M		1AAA		

<sup>12</sup> Note: in some markets, the custodian or broker may be self-clearing (i.e., global custodian and settlement agent may be the same). Where this is the case, both the global custodian / executing broker fields (as applicable) and the local settlement agent fields should still be populated.

<sup>13</sup> Local agent address will be used for physical settlements. Where not applicable for a given market, this information is considered optional.

<sup>14</sup> To be provided where applicable or required by local market practice; otherwise, these fields may be left blank.

## 4.0 Sample Formats for the Exchange of Standing Settlement Instructions – Securities

This section provides templates that should be used by the indicated parties when settlement instruction data is provided manually.

### 4.1 Custodian to Investment Manager: Sub-Custodian Network

The following table contains the settlement instructions details for the custodian's sub-custodian (local agent) network.

Row Number	Effective Date	Market Name	ISO Country Code	Security Type	PSET BIC	Global Custodian: Name	Global Custodian: BIC	Sub-Custodian: Name	Sub-Custodian: Address	Sub-Custodian: BIC
1		FRANCE	FR	EQTY	SICVFRPP	CUSTODIAN ABC	CUSTUS33	SUB-CUSTODIAN NO 1, PARIS	ABCD, RUE DE LA VICTOIRE 75002 PARIS, FRANCE	SUB1FRPP
2		FRANCE	FR	CORP	SICVFRPP	CUSTODIAN ABC	CUSTUS33	SUB-CUSTODIAN NO 1, PARIS	ABCD, RUE DE LA VICTOIRE 75002 PARIS, FRANCE	SUB1FRPP
3		FRANCE	FR	GOVT	SICVFRPP	CUSTODIAN ABC	CUSTUS33	SUB-CUSTODIAN NO 1, PARIS	ABCD, RUE DE LA VICTOIRE 75002 PARIS, FRANCE	SUB1FRPP
4		FRANCE	FR	MMKT	SICVFRPP	CUSTODIAN ABC	CUSTUS33	SUB-CUSTODIAN NO 1, PARIS	ABCD, RUE DE LA VICTOIRE 75002 PARIS, FRANCE	SUB1FRPP
5		HONG KONG	HK	EQTY	XHKCHKH1	CUSTODIAN ABC	CUSTUS33	SUB-CUSTODIAN NO 2, HONG KONG	XXX SHAM MONG ROAD KOWLOON HONG KONG	SUB2HKHH
6	15-Mar-2007	HONG KONG	HK	EQTY	XHKCHKH1	CUSTODIAN ABC	CUSTUS33	SUB-CUSTODIAN NO 3, HONG KONG	999 KWUN TONG ROAD KWUN TONG, HONG KONG	SUB3HKHH
7		HONG KONG	HK	CORP	HKMZHKHC	CUSTODIAN ABC	CUSTUS33	SUB-CUSTODIAN NO 2, HONG KONG	XXX SHAM MONG ROAD KOWLOON HONG KONG	SUB2HKHH
8		HONG KONG	HK	GOVT	HKMZHKHC	CUSTODIAN ABC	CUSTUS33	SUB-CUSTODIAN NO 2, HONG KONG	XXX SHAM MONG ROAD KOWLOON HONG KONG	SUB2HKHH

## 4.2 Custodian to Investment Manager: Account Specific Data

The following table contains account specific detail for each of the local markets.

Row Number	Sub-Custodian: Participant ID at Depository	Effective Date	Market Name	ISO Country Code	Security Type	IM's Account at Global Custodian – Account Name	IM's Account at Global Custodian – Account Number	Global Custodian's Account at Sub-Cust. – Account Name	Global Custodian's Account at Sub-Cust. – Account Number
1	12345		FRANCE	FR	EQTY	ACCOUNT XYZ	00XYZ	ACCOUNT ABC01	ABC01U
2	12345		FRANCE	FR	CORP	ACCOUNT XYZ	00XYZ	ACCOUNT ABC01	ABC01U
3	12345		FRANCE	FR	GOVT	ACCOUNT XYZ	00XYZ	ACCOUNT ABC01	ABC01U
4	12345		FRANCE	FR	MMKT	ACCOUNT XYZ	00XYZ	ACCOUNT ABC01	ABC01U
5	A00099		HONG KONG	HK	EQTY	ACCOUNT XYZ	00XYZ	ACCOUNT ABC99	ABC99U
6	B00011	15-Mar-2007	HONG KONG	HK	EQTY	ACCOUNT XYZ	00XYZ	ACCOUNT BBB11	BBB11U
7	CCCC000		HONG KONG	HK	CORP	ACCOUNT XYZ	00XYZ	ACCOUNT ABC99	ABC99U
8	CCCC000		HONG KONG	HK	GOVT	ACCOUNT XYZ	00XYZ	ACCOUNT ABC99	ABC99U

### 4.3 Investment Manager to Broker

Row Number	Effective Date	Market Name	ISO Country Code	Security Type	PSET BIC	Investment Manager: Name	Investment Manager: BIC	Investment Manager: Account Name	Investment Manager: Acct Number	Global Custodian: Name	Global Custodian: BIC
1		FRANCE	FR	EQTY	SICVFRPP	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA	CUSTODIAN ABC	CUSTUS33
2		FRANCE	FR	CORP	SICVFRPP	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA	CUSTODIAN ABC	CUSTUS33
3		FRANCE	FR	GOVT	SICVFRPP	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA	CUSTODIAN ABC	CUSTUS33
4		FRANCE	FR	MMKT	SICVFRPP	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA	CUSTODIAN ABC	CUSTUS33
5		HONG KONG	HK	EQTY	XHKCHKH1	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA	CUSTODIAN ABC	CUSTUS33
6	15-Mar-2007	HONG KONG	HK	EQTY	XHKCHKH1	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA	CUSTODIAN ABC	CUSTUS33
7		HONG KONG	HK	CORP	HKMZHKHC	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA	CUSTODIAN ABC	CUSTUS33
8		HONG KONG	HK	GOVT	HKMZHKHC	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA	CUSTODIAN ABC	CUSTUS33

(continued on the next page)

(sample format continued from the previous page):

Row Number	IM's Account at Global Custodian – Account Name	IM's Account at Global Custodian – Acct Number	Sub-Custodian: Name	Sub-Custodian: Address	Sub-Custodian: BIC	Sub-Custodian: Participant ID at Depository	Global Custodian's Account at Sub-Custodian – Account Name	Global Custodian's Account at Sub-Custodian – Account Number
1	ACCOUNT XYZ	00XYZ	SUB-CUSTODIAN NO 1, PARIS	ABCD, RUE DE LA VICTOIRE 75002 PARIS, FRANCE	SUB1FRPP	12345	ACCOUNT ABC01	ABC01U
2	ACCOUNT XYZ	00XYZ	SUB-CUSTODIAN NO 1, PARIS	ABCD, RUE DE LA VICTOIRE 75002 PARIS, FRANCE	SUB1FRPP	12345	ACCOUNT ABC01	ABC01U
3	ACCOUNT XYZ	00XYZ	SUB-CUSTODIAN NO 1, PARIS	ABCD, RUE DE LA VICTOIRE 75002 PARIS, FRANCE	SUB1FRPP	12345	ACCOUNT ABC01	ABC01U
4	ACCOUNT XYZ	00XYZ	SUB-CUSTODIAN NO 1, PARIS	ABCD, RUE DE LA VICTOIRE 75002 PARIS, FRANCE	SUB1FRPP	12345	ACCOUNT ABC01	ABC01U
5	ACCOUNT XYZ	00XYZ	SUB-CUSTODIAN NO 2, HONG KONG	XXX SHAM MONG ROAD KOWLOON HONG KONG	SUB2HKHH	A00099	ACCOUNT ABC99	ABC99U
6	ACCOUNT XYZ	00XYZ	SUB-CUSTODIAN NO 3, HONG KONG	999 KWUN TONG ROAD KWUN TONG, HONG KONG	SUB3HKHH	B00011	ACCOUNT BBB11	BBB11U
7	ACCOUNT XYZ	00XYZ	SUB-CUSTODIAN NO 2, HONG KONG	XXX SHAM MONG ROAD KOWLOON HONG KONG	SUB2HKHH	CCCC000	ACCOUNT ABC99	ABC99U
8	ACCOUNT XYZ	00XYZ	SUB-CUSTODIAN NO 2, HONG KONG	XXX SHAM MONG ROAD KOWLOON HONG KONG	SUB2HKHH	CCCC000	ACCOUNT ABC99	ABC99U

## 4.4 Broker to Investment Manager

Row Number	Effective Date	Market Name	ISO Country Code	Security Type	PSET BIC	Executing Broker: Name	Executing Broker: BIC	Executing Broker: Participant ID at Depository	Clearing Agent: Name
1		FRANCE	FR	EQTY	SICVFRPP	BROKER XXX	BRKRUS33		CLEARING AGENT NO 1, PARIS
2		FRANCE	FR	CORP	SICVFRPP	BROKER XXX	BRKRUS33		CLEARING AGENT NO 1, PARIS
3		FRANCE	FR	GOVT	SICVFRPP	BROKER XXX	BRKRUS33		CLEARING AGENT NO 1, PARIS
4		FRANCE	FR	MMKT	SICVFRPP	BROKER XXX	BRKRUS33		CLEARING AGENT NO 1, PARIS
5		HONG KONG	HK	EQTY	XHKCHKH1	BROKER XXX	BRKRUS33		HONGKONG CLEARING AGENT A, HONG KONG
6	15-Mar-2007	HONG KONG	HK	EQTY	XHKCHKH1	BROKER XXX	BRKRUS33		CLEARING SVCS B (HONG KONG) LTD
7		HONG KONG	HK	CORP	HKMZHKHC	BROKER XXX	BRKRUS33		HONGKONG CLEARING AGENT A, HONG KONG
8		HONG KONG	HK	GOVT	HKMZHKHC	BROKER XXX	BRKRUS33		HONGKONG CLEARING AGENT A, HONG KONG

(continued on the next page)

(sample format continued from the previous page):

Row Number	Clearing Agent: Address	Clearing Agent: BIC	Clearing Agent: Participant ID at Depository	Account Name at Clearing Agent	Account Number At Clearing Agent
1	10000, RUE DE LA VICTOIRE 75078 PARIS, CEDEX 02, FRANCE	CLR1FRPP	33333	BROKER XXX & CO, NEW YORK	BKRAA
2	10000, RUE DE LA VICTOIRE 75078 PARIS, CEDEX 02, FRANCE	CLR1FRPP	33333	BROKER XXX & CO, NEW YORK	BKRAA
3	10000, RUE DE LA VICTOIRE 75078 PARIS, CEDEX 02, FRANCE	CLR1FRPP	33333	BROKER XXX & CO, NEW YORK	BKRAA
4	10000, RUE DE LA VICTOIRE 75078 PARIS, CEDEX 02, FRANCE	CLR1FRPP	33333	BROKER XXX & CO, NEW YORK	BKRAA
5	A/B – TOWER 1 999 SHAM MONG ROAD KOWLOON HONG KONG	CLR2HKHH	E60000	BROKER XXX & CO, NEW YORK	01-BKRHK-01
6	1 <sup>st</sup> FLOOR CLEARING BANK TOWER 888 KWUN TONG ROAD KWUN TONG, HONG KONG	CLR3HKHH	F70000	BROKER XXX & CO, NEW YORK	AA-BKRACCT-00
7	A/B – TOWER 1 999 SHAM MONG ROAD KOWLOON HONG KONG	CLR2HKHH	E60000	BROKER XXX & CO, NEW YORK	01-BKRHKFI-01
8	A/B – TOWER 1 999 SHAM MONG ROAD KOWLOON HONG KONG	CLR2HKHH	E60000	BROKER XXX & CO, NEW YORK	01-BKRHKGV-01

#### 4.5 Investment Manager to Custodian

As described in section 2.4, investment managers typically provide settlement instructions to custodian banks on a trade-by-trade basis, in conjunction with the details of the trade execution. The following is considered a basic settlement instruction template. Please note that this does not take into consideration any embedded FX requirements or market specific requirements, such as the denotation of a taxable versus a non-taxable transaction for Brazil.

Date:	August 11, 2006		
To:	John Smith	Company:	Custodian Bank ABC
Phone:	416-555-9876	Fax:	416-555-1234
From:	Jennifer Rogers	Company:	Investment Manager IM1
Phone:	410-555-5555	Fax:	410-555-5000
Re:	Trade Settlement Instruction		
Custodian Account ID:	00XYZ		
Security ID:	FR0000120560		
Transaction Type:	BUY		
Trade Date:	August 11, 2006		
Settlement Date:	August 14, 2006		
Trade Quantity:	240		
Price:	95.15 EUR		
Net Settlement Amount:	22,847.42 EUR		
Executing Broker:	Broker XXX		
Executing Broker ID:	BRKRUS33		
Clearing Broker:	Clearing Agent No. 1, Paris		
Clearing Broker ID:	33333		
Account Name at Clearing Broker:	Broker XXX & Co, New York		
Account Number at Clearing Broker:	BKRAA		
Place of Settlement:	SICVFRPP		

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

## 5.0 Identification of Settlement Parties for Cash and FX Transactions

While there appears to be a fair degree of consistency in labeling and defining settlement parties for securities transactions, we found far greater variability for cash and FX. The table below identifies the key parties in the settlement chain for cash and FX, as defined for the purposes of this document. We also list a number of common aliases, based on a review of various broker and custodian settlement instruction sheets.

These have been written from the perspective of a global custodian, but are similarly applicable to a broker and its clearing network.

Party	Definition	Aliases
Agent Bank	The party that acts on behalf of the global custodian in the local market to complete the exchange of local currency with the broker's local agent.	<ul style="list-style-type: none"> <li>• Local Agent</li> <li>• Cash Agent</li> <li>• Agent Bank</li> <li>• Sub-Custodian</li> <li>• Receiving Agent</li> </ul>
Intermediary	A party used by global custodian to reach the agent bank, in instances where that custodian does not direct relationships with agent banks in local markets.	<ul style="list-style-type: none"> <li>• Correspondent</li> <li>• Beneficiary</li> </ul>
Final Beneficiary	Typically the global custodian, where funds will ultimately be deposited for credit to the investment manager's account.	<ul style="list-style-type: none"> <li>• Ultimate Beneficiary</li> <li>• For Further Credit</li> <li>• For Further Benefit</li> <li>• Global Custodian</li> </ul>

## 6.0 Required Data Elements for Exchanges of SSI – Cash and FX

In this section, we outline the recommended data elements that should be provided for the settlement of cash and FX transactions. Please take note of the following:

- If a cell in the table has been grayed-out, the data element in that row is not applicable for the indicated handoff.
- Reasons for marking fields as optional (O) or conditional (C) have been provided in the footnotes.
- Certain information marked as required is typically not included in a settlement instruction transmitted electronically (i.e., via SWIFT) from an investment manager to a custodian, such as agent name. We recommend that investment managers include this information in manual transmissions for 1) clarity, and 2) to assist in cross-referencing exercises for downstream recipients, such as custodians also acting in the capacity of accounting agents.

Data Element	Mandatory / Optional / Conditional	Account SSIs: Custodian Handoff to IM	Account SSIs: Investment Mgr Handoff to Broker	BDIs: Broker Handoff to IM	BDIs: Investment Mgr Communication to Custodian
--------------	------------------------------------	---------------------------------------	--	----------------------------	---

General information:					
Settlement Effective Date <sup>15</sup>	C	15-Mar-2007	15-Mar-2007	(not applicable for this example)	

Data elements that identify the currency:					
Currency Description	O	Danish Krone	Danish Krone	Australian Dollar	Australian Dollar
ISO Currency Code	M	DKK	DKK	AUD	AUD

Data elements that identify the agent bank:					
Agent Bank Name	M	Copenhagen Central Bank	Copenhagen Central Bank	Central Bank of Sydney	Central Bank of Sydney
Agent Bank BIC	M	COPNDKKK	COPNDKKK	SYNDAU3M	SYNDAU3M
Agent Bank Clearing Code <sup>16</sup>	C	(not applicable for the market chosen in this example)	(not applicable for the market chosen in this example)	AU666666	AU666666
Account Number at the Agent Bank	M	123DKK000333	123DKK000333	BRKRAUD001	BRKRAUD001

Data elements that identify the intermediary <sup>16</sup> :					
Intermediary Name	C	Global Intermediary Services	Global Intermediary Services	Broker Intermediary Services	Broker Intermediary Services
Intermediary BIC	C	CUSTGB2L	CUSTGB2L	BRKRGB2L	BRKRGB2L

<sup>15</sup> Applicable only when communicating updates to existing settlement instructions or to indicate the effective date for opening account in a new market. The effective date is applicable to all trades settling on or after the indicated date. The recommended format for this field is DD-MMM-YYYY.

<sup>16</sup> To be provided where applicable or required by local market practice; otherwise, these fields may be left blank.

Data elements that identify the final beneficiary:					
Final Beneficiary Name	M	Custodian ABC	Custodian ABC	Broker XYZ	Broker XYZ
Final Beneficiary BIC	M	CUSTUS33	CUSTUS33	BRKRUS33	BRKRUS33
Account Name at the Final Beneficiary <sup>17</sup>	C	Account XYZ	Account XYZ	<i>(not applicable for this example)</i>	<i>(not applicable for this example)</i>
Account Number at the Final Beneficiary <sup>17</sup>	C	00XYZ	00XYZ	<i>(not applicable for this example)</i>	<i>(not applicable for this example)</i>

Data elements that identify the investment manager and the account at the investment manager:					
Investment Manager Name	M		Investment Manager IM1		
Investment Manager BIC	M		IM01US33		
Investment Manager's Account Name	M		IM1 Account AAA		
Investment Manager's Account Number	M		1AAA		

<sup>17</sup> To be provided where applicable or required by local market practice; otherwise, these fields may be left blank.

## 7.0 Sample Formats for the Exchange of Standing Settlement Instructions – Cash and FX

This section provides templates that should be used by the indicated parties when settlement instruction data is provided manually.

### 7.1 Custodian to Investment Manager: Cash/FX Agent Bank Network

Row Number	Effective Date	Currency Description	ISO Currency Code	Agent Bank: Name	Agent Bank: BIC	Agent Bank: Clearing Code	Account Number at Agent Bank	Intermediary: Name
1		AUSTRALIAN DOLLAR	AUD	MELBOURNE CENTRAL BANK	MLBRAU3M	AU123456	123AUD000111	
2		CANADIAN DOLLAR	CAD	TORONTO CENTRAL BANK	TRNTCATT	CC123456789	123CAD000222	
3		DANISH KRONE	DKK	COPENHAGEN CENTRAL BANK	COPNDKKK		123DKK000333	GLOBAL INTERMEDIARY SERVICES
4		POUND STERLING	GBP	LONDON CENTRAL BANK	LONDGB2L	SC123456	123GBP000444	GLOBAL INTERMEDIARY SERVICES
5	15-MAR-2007	POUND STERLING	GBP	WESTMINSTER CENTRAL BANK	WESTGB2L	SC000789	999GBP000444	GLOBAL INTERMEDIARY SERVICES
6		US DOLLAR	USD	BOSTON CENTRAL BANK	BOSTUS33	012020021	123USD000555	

*(continued on the next page)*

---

*(sample format continued from the previous page):*

Row Number	Intermediary: BIC	Final Beneficiary: Name	Final Beneficiary: BIC
1		CUSTODIAN ABC	CUSTUS33
2		CUSTODIAN ABC	CUSTUS33
3	CUSTGB2L	CUSTODIAN ABC	CUSTUS33
4	CUSTGB2L	CUSTODIAN ABC	CUSTUS33
5		CUSTODIAN ABC	CUSTUS33
6		CUSTODIAN ABC	CUSTUS33

## 7.2 Investment Manager to Broker

Row Number	Effective Date	Currency Description	ISO Currency Code	Agent Bank: Name	Agent Bank: BIC	Agent Bank: Clearing Code	Account Number at Agent Bank	Intermediary: Name	Intermediary: BIC
1		AUSTRALIAN DOLLAR	AUD	MELBOURNE CENTRAL BANK	MLBRAU3M	AU123456	123AUD000111		
2		CANADIAN DOLLAR	CAD	TORONTO CENTRAL BANK	TRNTCATT	CC123456789	123CAD000222		
3		DANISH KRONE	DKK	COPENHAGEN CENTRAL BANK	COPNDKKK		123DKK000333	GLOBAL INTERMEDIARY SERVICES	CUSTGB2L
4		POUND STERLING	GBP	LONDON CENTRAL BANK	LONDGB2L	SC123456	123GBP000444	GLOBAL INTERMEDIARY SERVICES	CUSTGB2L
5	15-MAR-2007	POUND STERLING	GBP	WESTMINSTER CENTRAL BANK	WESTGB2L	SC000789	999GBP000444	GLOBAL INTERMEDIARY SERVICES	
6		US DOLLAR	USD	BOSTON CENTRAL BANK	BOSTUS33	012020021	123USD000555		

*(continued on the next page)*

(sample format continued from the previous page):

Row Number	Final Beneficiary: Name	Final Beneficiary: BIC	IM Account at Final Beneficiary: Account Name	IM Account at Final Beneficiary: Account Number	Investment Manager: Name	Investment Manager: BIC	Investment Manager: Account Name	Investment Manager: Acct Number
1	CUSTODIAN ABC	CUSTUS33	ACCOUNT XYZ	000XYZ	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA
2	CUSTODIAN ABC	CUSTUS33	ACCOUNT XYZ	000XYZ	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA
3	CUSTODIAN ABC	CUSTUS33	ACCOUNT XYZ	000XYZ	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA
4	CUSTODIAN ABC	CUSTUS33	ACCOUNT XYZ	000XYZ	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA
5	CUSTODIAN ABC	CUSTUS33	ACCOUNT XYZ	000XYZ	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA
6	CUSTODIAN ABC	CUSTUS33	ACCOUNT XYZ	000XYZ	INVESTMENT MANAGER IM1	IM01US33	IM1 ACCOUNT AAA	1AAA

### 7.3 Broker to Investment Manager

Row Number	Effective Date	Currency Description	ISO Currency Code	Agent Bank: Name	Agent Bank: BIC	Agent Bank: Clearing Code	Account Number at Agent Bank	Intermediary: Name
1		AUSTRALIAN DOLLAR	AUD	CENTRAL BANK OF SYDNEY	SYDNAU3M	AU666666	BRKRAUD001	BROKER INTERMEDIARY SERVICES
2		CANADIAN DOLLAR	CAD	TORONTO CENTRAL BANK	TRNTCATT	CC123456789	BRKRCAD001	
3		DANISH KRONE	DKK	COPENHAGEN CENTRAL BANK	COPNDKKK		BRKRDKK001	
4		POUND STERLING	GBP	LONDON CENTRAL BANK	LONDGB2L	SC123456	BRKRGBP001	
5	15-MAR-2007	POUND STERLING	GBP	CENTRAL BANK FOR THE UK	UKCBGB2L	SC654321	BRKRGBP999	
6		US DOLLAR	USD	BOSTON CENTRAL BANK	BOSTUS33	012020021	BRKRUSD001	

*Continuation of sample format:*

Row Number	Intermediary: BIC	Final Beneficiary: Name	Final Beneficiary: BIC
1	BRKRGB2L	BROKER XYZ	BRKRUS33
2		BROKER XYZ	BRKRUS33
3		BROKER XYZ	BRKRUS33
4		BROKER XYZ	BRKRUS33
5		BROKER XYZ	BRKRUS33
6		BROKER XYZ	BRKRUS33

#### 7.4 Sample Format: Investment Manager to Custodian

As described in section 2.4, investment managers typically provide settlement instructions to custodian banks on a trade-by-trade basis, in conjunction with the details of the trade execution. The following is considered a basic settlement instruction template for FX transactions.

Date:	August 11, 2006		
To:	John Smith	Company:	Custodian Bank ABC
Phone:	416-555-9876	Fax:	416-555-1234
From:	Jennifer Rogers	Company:	Investment Manager IM1
Phone:	410-555-5555	Fax:	410-555-5000
Re:	FX Settlement Instruction		
Custodian Account ID:	00XYZ		
Trade Date:	August 11, 2006		
Settlement Date:	August 14, 2006		
FX Rate:	0.22588		
	<b>Currency Purchased</b>	<b>Currency Sold</b>	
Currency Description:	Danish Krone	Australian Dollar	
Currency Code:	DKK	AUD	
Quantity:	500,000.00	112,938.16	
	<b>Receive From</b>	<b>Deliver To</b>	
Agent Bank	Copenhagen Central Bank	Central Bank of Sydney	
Agent Bank BIC	COPNDKKK	SYDNAU3M	
Agent Bank Clearing Code		AU666666	
Account Number at Agent Bank	BRKRDKK001	BRKRAUD001	
Intermediary		Broker Intermediary Services	
Intermediary BIC		BRKRGB2L	
Final Beneficiary	Broker XYZ	Broker XYZ	
Final Beneficiary BIC	BRKRUS33	BRKRUS33	

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

**Appendix I – Listing of SSI Security Type Codes**

<b>Code</b>	<b>Description<sup>18</sup></b>
EQTY	Equities
CORP	Corporate fixed income
GOVT	Government fixed income
MMKT	Money markets

---

<sup>18</sup> Descriptions were obtained from the SMPG PSET's BIC lists.

## Appendix II – Mapping SSI Security Type Codes to ISITC Security Types

ISITC Security Type	ISITC Security Type Description	SSI Security Type Code
BA	Bankers Acceptance	
BKL	Bank Loans	
BFW	Bond Forward	
CD	Certificate of Deposit	
CLO	Collateralized Loan Obligation	
CDO	Collateralized Debt Obligation	
CMO	Collateralized Mortgage Obligation (includes sinking funds)	
CORP	Corporate Bond	
CP	Commercial Paper	
CPP	Corporate Private Placement	
CS	Common Stock	
ETF	Exchange Traded Fund	
FAD	Federal Agency Discount	
FHA	Federal Housing Authority	
FHL	Federal Home Loan	
FN	Federal National Mortgage Association	
FRN	Floating Rate Note	
FUT	Futures	
GN	Government National Mortgage Association	
GOVT	Treasuries and Agency Debenture	
IET	Mortgage IO-ette	
MF	Mutual Fund	
MIO	Mortgage – Interest Only	
MPO	Mortgage – Principal Only	
MPP	Mortgage – Private Placement	
MPT	Miscellaneous Pass-Through	
MUNI	Municipal Bond	
OPT	Option	
PS	Preferred Stock	
RP	Repurchase Agreement	
RTS	Rights	
RVRP	Reverse Repurchase Agreement	
SL	Student Loan Marketing Association	
STRP	Treasury Strips	
TIPS	Treasury Inflation Protected Security	
SWAP	Swaps	
UNBD	Unitized Bonds	
USTB	US Treasury Bill	
UBWW	Unitized Bonds with Warrants	
VRDN	Variable Rate Discount Note	
WAR	Warrant	
ZOO	Cats, Tigers and Lions	

**Appendix III – References**

<b>Description</b>	<b>Location / Web Address</b>
Securities Market Practice Group's (SMPG) List of Places of Settlement (Excel file)	SMPG website <a data-bbox="841 470 1365 499" href="http://smpg.webexone.com/default.asp?link=">http://smpg.webexone.com/default.asp?link=</a>
General and Country-Specific Market Practice Documents for Settlement	SMPG website <a data-bbox="841 594 1365 623" href="http://smpg.webexone.com/default.asp?link=">http://smpg.webexone.com/default.asp?link=</a>

**Appendix IV – Required Clearing Codes for Cash / FX**

Market	Description
United States	ABA Code
United Kingdom	Sort Code

## Appendix V – Mapping to SWIFT 541/543 Messages

Data Element	Example	SWIFT Tag	Example
		<b>Subsequence E1 –</b>	<b>Settlement Parties</b>
		16R – Start of Block	:16R:SETPRTY
Place of Settlement	SICVFRPP	95a – Party	:95P::PSET//SICVFRPP
		16S – End of Block	:16S:SETPRTY
		16R – Start of Block	:16R:SETPRTY
Executing Broker Name, Executing Broker BIC, or Executing Broker Participant ID at the Local Depository <sup>19</sup>	Goldman Sachs GOLDUS33 N/A	95a – Party	:95P::SELL//GOLDUS33XXX
Account Number at the Clearing Agent	GSCOOA	97a – Safekeeping Account	:97A::SAFE//GSCOOA
		16S – End of Block	:16S:SETPRTY
		16R – Start of Block	:16R:SETPRTY
Clearing Agent BIC, or Clearing Agent Participant ID at the Local Depository <sup>23</sup>	CLR1FRPP 333333	95a – Party	:95R::DEAG/SICV/00033333
		16S – End of Block	:16S:SETPRTY

<sup>19</sup> As mandated by local market practice.

**Appendix VI – Mapping to ALERT**

Data Element	Example	ALERT Field Name	Example