



XONTRO Newsletter

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&

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(English Version)

This XONTRO newsletter provides information covering the following issue:

- Implementation of a “Standard Fonds Settlement Date (T+4)” for the settlement of on-exchange trades having been contracted by intermediaries in “Non ETF Fonds”

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## **Implementation of a Standard Fonds Settlement Date (T+4) for the settlement of on-exchange trades having been contracted by intermediaries in “Non ETF Fonds”**

### **1 Introduction / Background**

Within the framework of the CSDR Regulation implementation, it is intended by the German cash market exchange platforms to implement a standard settlement value date of **T+4** for the broker-mediated on-exchange trades in actively managed funds – to be called „**Non EFT Fonds**“ in what follows – for the settlement of cash and nominal amounts.

### **2 Time Line**

- January 2022 Simulation start in XONTRO (IMS27)
- 24.01.2022 Production launch in XONTRO (IMS1), as well as at all remaining German cash market exchange platforms

### **3 Basic Considerations**

All trades having been resulted from on-exchange price fixings in „Non ETF Fonds“ on any of the German cash market platforms will be processed using a common (deviating) „Standard Fonds Settlement Period of T+4“.

Within XONTRO, these Standard Fonds Value Date Trades will be processed using the existing Value Date flag „FZ“ in combination with the Settlement Date having been calculated according to the existing FZ processing guidelines.

The aim of this procedure will be to keep the implementation efforts as minimal as possible for all banks, intermediaries and cash market platforms affected.

#### 4 „Non ETF Fonds“ Selection

The selection of the „Non ETF Fonds“ in XONTRO and MAX-ONE will be done with the aid of the existing WM fields GD198B und GD198F:

- WM-Product Group (GD198B) *is equal to* „5000“ **and**
- Instrument Group (GD198F) *is unequal to* „F305“

#### 5 General Framework Conditions

All on-exchange price fixing procedures for „Non ETF Fonds“ done on a German cash market platform will be done using a common (deviant) Standard Fonds Value Date of T+4.

The Standard Fonds Value Date of T+4 will be calculated automatically by XONTRO along with these broker-mediated on-exchange trades for these instruments.

A manual modification of the Standard Fonds Value Date T+4 will be possible, in analogy to the modification of the deviant “FZ” value date flag, within the existing functional framework for banks and intermediaries.

The deviant „Standard Fonds Value Date“ of T+4 will be processed and documented across all system functions and interfaces using the existing value flag „FZ“, as well as the appropriate settlement date.

Documentation of the deviant Standard Fonds Value Date of T+4 for banks:

- Fix Execution Confirmations (T+4)
- Trade Confirmations (on-exchange) (T+4)
- Trade Confirmations (OTC) (T+x)<sup>1</sup>
- Aufgabe Contract Notes (T+4)
- Closures of Aufgabe Contract Notes (ST\*+4)  
*\*referred to the closure date „ST“*

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<sup>1</sup> cf. chapters 5.1.2 and 5.2.2 for an elaboration of this issue

## 5.1 General Framework Conditions - Intermediaries

### 5.1.1 On-Exchange Trades (New)

Within XONTRO, all on-exchange price fixings for „Non ETF Fonds“ will be processed using a common (deviant) Standard Fonds Value Date of T+4.

A manual modification of the Standard Fonds Value Date T+4 will be possible, in analogy to the modification of the deviant “FZ” value date flag, within the existing functional framework for intermediaries.

The QSAM broadcasts BCBE\_EXECUTION\_SKM and BCBE\_EXECUTION\_SKM\_TO\_FM will not be modified, as the info tags valueDatCod and valueDat may be accessed as of today already, via the Broker Diary.

### 5.1.2 Off-Exchange Broker-Mediated Bank-to-Bank Trades (No Modification)

The provision of a „Standard Fonds Value Date of T+4“ within XONTRO Trade is not planned. The entry of a value date may be done by the intermediary within the framework of the existing XONTRO entry functions.

No entry plausibility checks will be done in these cases for Non ETF Fonds trades. This implies that the T+4 value date will have to be added explicitly in these cases. If omitted, then the trade will be processed using the standard value date of T+2.

## 5.2 General Framework Conditions – Banks

### 5.2.1 On-Exchange Trades/Executions (New)

XONTRO Fix Interface for Banks: Within the XONTRO Fix Execution Messages „Execution Report“, the „Standard Fonds Value Date T+4“ in Tag64 „SettlDate“ will be transmitted in analogy to the emission value date.

Excursion: This behavior corresponds to the – already implemented – logic of the transmission of the settlement date along with execution reports having taken place prior to actual emission date (emission value date).

### 5.2.2 Direct (OTC) Bank Trades (No Modification)

The provision of a „Standard Fonds Value Date of T+4“ within XONTRO Trade is not planned. The entry of a value date may be done by the financial institutes within the framework of the existing XONTRO entry functions.

As of today already, for direct (OTC) trades having been entered via SWIFT or FIX, XONTRO calculates the „Standard Value Date T+2“ in cases where the entry fields „Fixed Value Date Flag“ and „Settlement Date“ have been left blank; this behavior will not be changed.

## 5.3 General Framework Conditions – Banks and Intermediaries

### 5.3.1 Special Functions (No Modifications)

Within the XONTRO Functions listed below, the „Standard Fonds Valuta T+4“ will be processed in analogy to the „Standard Value Date T+2“ as is being done at present:

- HuM (trading amongst intermediaries)
- Aufgabenschließungen (Aufgabe closures)
- Aufgabenzwangsschließungen (forced Aufgabe closures)
- Storno (cancellations)
- Storno neu (combined cancellation and new entry)
- Durchlieferung (reversals)

Other than what had been listed above, the XONTRO rules and regulations having been stated already will still be valid<sup>2</sup> (Dialog handbook – Financial Institutes - Annex C – Operational Explanations) regarding the processing of deviant value dates.

## 5.4 General Framework Conditions - MAX-ONE

Banks operating a direct order routing access link towards MAX-ONE will be informed about this topic via a separate circular to be issued by Börse München.

XONTRO Fix Interface for Banks: Within the XONTRO FIX Execution Report for MAX-ONE , along with the Execution Report Messages in Tag64 „SettlDate“, the Standard Fonds Value Date T+4 will likewise be transferred onto the FIX participants.

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<sup>2</sup> cf: [https://xontro.de/fileadmin/media/documents/FDI\\_KI\\_Dokumentation\\_Dialog/Anhang\\_C\\_Fachliche\\_Erlaeuterungen\\_KI\\_u\\_MA.pdf](https://xontro.de/fileadmin/media/documents/FDI_KI_Dokumentation_Dialog/Anhang_C_Fachliche_Erlaeuterungen_KI_u_MA.pdf)