

Austraclear updates

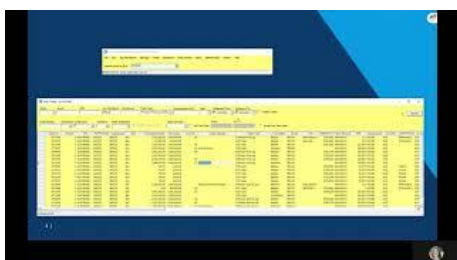
1. Austraclear Linked Settlement Functionality and Market Repo Enhancements
2. Austraclear Cash Rate and Trade Date Field Input Requirements for Market Repos

1. Austraclear Linked Settlement Functionality and Market Repo Enhancements

The new Linked Settlement functionality and Market Repo enhancements were released by Austraclear on 1 March 2021. The functionality has been positively received, with strong use and engagement by Participants. In the first two weeks after release, 21 Participants entered 318 linked settlement groups, each consisting of 2-7 trades, with a total of 760 trades being settled using the new linked settlement functionality. Consistent feedback themes from Participants include the time savings delivered through use of the linked settlement and auto unwind functionalities, and the reduced operational risk delivered through the automation of manual processes.

Linked Settlement Functionality: Video demonstration and Quick Tips Guide

Linked Settlement functionality now allows Austraclear Participants to link a group of eligible transactions (across FIS, DSS, Euro-entitlement and Market Repo transactions) in a linked settlement group for simultaneous settlement by transfer of the net amount of cash and securities required to settle all transactions in that linked settlement group. The linked settlement functionality requires the same two Participants to be a party to all transactions in a linked settlement group, and for both Participants to agree for it to proceed to simultaneous settlement.



For a demonstration of Auto Unwind Linked Settlement Functionality please watch the [video](#) and see section 8.4 of the updated [Austraclear User Guide](#). See the [Linked Settlement Quick Tips Guide](#).

Market Repo Enhancements: Auto Unwind and Future Dated 2nd Leg

The new auto unwind and future dated 2nd leg entry enhancements provide additional flexibility in entering instructions in the Austraclear system to settle the second leg of a market repo transaction. Since 1 March 2021 release, over 50 participants have elected to turn on the auto unwind feature.

- **Automatic unwind:** This functionality allows a Participant to make an election in the system so that on the Settlement Date for the second leg of a market repo, the system will automatically enter a settlement instruction for that second leg on behalf of the Participant, if it has not already received a manual settlement instruction from the Participant. Participants can use this functionality within the Austraclear GUI. See section 8.2.20 of the updated Austraclear User Guide at link below for further information.
- **Instruct unwind with future close date:** This functionality allows a Participant to enter an instruction to settle the second leg of a market repo transaction either before or after the first leg of that market repo transaction has settled. In practice, we expect that Participants will use this functionality to enter a settlement instruction for the first leg and second leg of a market repo at the same time.

[Updated Austraclear User Guide - effective 1 March 2021](#)

2. Updates to mandatory Cash Rate and Trade Date fields when entering a Market Repo in Austraclear

As per Market Notice [0285.21.03](#) released 10 March 2021, Participants should note that Austraclear will deliver the following updates to the existing requirements for the input of the mandatory “Cash Rate” and “Trade Date” fields in Austraclear for Market Repo transactions as below.

Field	Mandatory	Matching	Change Description	Change date	Additional comments
Cash Rate	Yes	Yes	This field currently defaults to “0” if left blank. This default will be removed and will require a matching input from Participants. Failure to provide an input will result in the instruction being rejected.	Austraclear Service Release 11, targeting 28 June 2021	To allow for increased flexibility on pricing levels, the “Cash Rate” field will allow for entries to 4dps (eg x.xxxx%) for inputs made via GUI and SWIFT. The system will use conventional rounding beyond 4dps.
Trade Date	Yes	No	This field currently defaults to the current business day if left blank. This default will be removed and will require an input by Participants. Failure to provide an input will result in the instruction being rejected.	Austraclear Service Release 12, targeting 22 November 2021	Based on market feedback, ASX suggests that in order to allow for consistency of entry of trade date, the approach to be taken is that the trade date refers to the date that trade details were agreed between the parties, based on the Australian AEST timezone.

Participants are encouraged to review and prioritise any development work required to ensure the above updated can be facilitated. Participants are also reminded from 22 November 2021 all market repo transactions must be instructed and matched in Austraclear as market repo transactions. See notice at <https://asxonline.com/public/notices/2020/aug/0910.20.08.html>

Should you have any questions or concerns in respect of the above, please contact the Austraclear and ASX Collateral Service Desk on 1300 362 257 or via email to austraclear@asx.com.au