

Definition of the trade date for instructions on funds

Versioning	Version	1.0
	Publication date	April 6th, 2016

I. DESCRIPTION OF THE EXISTING PRACTICE & OF THE IMPACTS

Description of the existing practice	<p>The French market has defined for all processing, that the negotiation date is the date at which the price (Net Asset Value) and quantity are known, that is:</p> <ul style="list-style-type: none"> • For unknown-price funds : Negotiation date = Date of establishment of the Net Asset Value (1) • For known-price funds: Negotiation date = Centralisation date (2) <p><i>(1) Date of determination of the assets held by the fund used to calculate the NAV. This date can be different from the date of calculation and the date of publication.</i></p> <p><i>(2) Setting the negotiation date at the date of establishment of the NAV as is the case for unknown-price funds would imply a retroactive application date not applicable in securities accounting.</i></p>
Description of the T2S impact	<p>Practice to be implemented upstream of the CSD:</p> <p>No impact at CSD level given that settlement details are validated by counterparties by the time the order is processed, thus avoiding mismatches related to gaps in the trade date.</p> <p>Practice to be extended to cross-CSD operations, either as an intermediary in the transmission of orders on foreign funds, or as a Correspondent Transfer Agent or Local Transfer Agent for orders coming from foreign investors.</p> <p>The implementation of this practice at the international level would allow to avoid disagreements in the trade date, which is a matching criteria.</p>
Description of the major issue	<p>Not implementing this practice would force professionals to manage an increase in mismatches, as well as issues in the application of a possible corporate action. The objective is to avoid settlement fails, and the possible deterioration of the service level on the application of corporate actions.</p>
Description of the roles and	

Practice reference: OP-SETTL-TRADE-01

responsibilities of the actors involved (OPTIONAL)	
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Workflows (OPTIONAL)	
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Links with other market practices	
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II. RECOMMENDED MARKET PRACTICE

Recommended practice	The recommendation is to keep the current market practice.
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Reasons for the choice	<p>This market practice is already in force on the CSD model in France on French funds (ESES and outside of ESES), as well as on funds eligible to ESES.</p> <p>This practice should be extended to cross-CSD operations, either as an intermediary in the transmission of orders on foreign funds, or as a Correspondent Transfer Agent or Local Transfer Agent for orders coming from foreign investors.</p> <p>The implementation of this practice at the international level would allow to avoid disagreements in the trade date, which is a matching criteria.</p>
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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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III. IMPLEMENTATION

Implementation timeline	Before the migration to T2S	Upon go live on T2S	After the migration to T2S
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Date: _____	Date: 12/09/2016	Date: _____