



# **Description for market practice**

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## **Interest and redemption process, sub-market PM**

14 July, 2004

## **1. Directions for market practice regarding the interest and redemption process, PM sub-market**

### **1.1 The issuer's settlement headroom**

Settlement headroom should be registered in the VPC system by 06.45 (6.45 AM) on the settlement day for the designated issuers. The settlement headroom should amount to no less than the net of interest and redemption payments less payment from issuances.

Designated issuers are set by the market participants. If the requisite settlement headroom is not in place by 06.45 (6.45 AM) the issuer will not be included in the interest and redemption process at 07.15 (7.15 AM).

### **1.2 Settlement headroom for clearing members and settlement banks**

Only instructions for issuers who had the requisite settlement headroom at 06.45 (6.45 AM) are taken into account when calculating the requirements for settlement headroom concerning the interest and redemption process for clearing members and settlement banks.

The settlement headroom for settlement banks and clearing members and PM account groups respectively should be no less than the expected net payment amount for the interest and redemption process in accordance with Euroclear Sweden's special resolution regarding settlement incentives. The settlement headroom should be registered by 07.15 (7.15 AM).