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9 PREMATCH

9.1 General

Prematch provides functionalities to make it possible to match orders and deliveries before they become settlement instructions in the Daily Journal (DJ)

There are functionalities for new registration, changes, cancellation, matching and enquiries. It is possible unilaterally to change or cancel either an unmatched or a matched prematch instruction, provided it is not already placed in the DJ for pre-settlement checking.

Pre-matched deliveries and orders are placed in the DJ on the night before day S. If ID-VP-ACCOUNT is specified in the order, a securities deposit is also generated with the same ID-UNIQUE-IDENT as the order. The instructions are given a pending status and are then subjected to the usual pre-settlement check on day S. If pre-matching does not take place until day S, the placing in the DJ occurs in real time, up to the final settlement with payment for instructions with payment, or alternatively, up to the final settlement without payment for instructions free of payment.

Prematch instructions that were not possible to settle during the actual day S in question, will have new opportunities for a certain number of days (as stipulated in the VPC Rules), based on the original intended settlement day. The postponement of settlement day occurs on two occasions during the day:

- 1) for instructions with payment, directly after the final settlement with payment
- 2) for instructions without payment, directly after the final settlement free of payment

An active prematch instruction that has already been postponed for the maximum number of days is removed to an historical register, where it is marked as “automatically removed”.

Status reporting

Matching, non-matching, placement in the DJ, postponement of settlement day and automatic removal are reported to the relevant clearing member using the existing service for status reporting of trade instructions, as described in chapter 6. Some examples are shown below to clarify how the process of status reporting can occur in conjunction with prematch instructions.

Example 1

Event	Significant terms in status reporting ACZF603A
1	A clearing member registers a prematch order. Matching is not achieved at the time of registration. CODE-COUNTERPARTY-RPT = ‘UM’ ST-TRADE-ENTRY = blank
2	Counterparty registers a prematch delivery, automatic matching occurs. CODE-COUNTERPARTY-RPT = ‘MM’ ST-TRADE-ENTRY = blank
3	The instruction is placed in the Daily Journal for pre-settlement check. This takes place on the night before day S or on day S before the final settlement with/without payment. CODE-COUNTERPARTY-RPT = ‘MM’ ST-TRADE-ENTRY = ‘VÄ’

Continuation ex 1, alternative 1

4	The instruction is marked ‘ready to settle’. CODE-COUNTERPARTY-RPT = ‘MM’ ST-TRADE-ENTRY = ‘KL’
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Continuation ex 1, alternative 2

4	The instruction is not ready to settle on the actual settlement day, since the securities holding and/or the payment is lacking. Postponement of settlement day occurs in conjunction with the final settlement with/without payment. ST-TRADE-ENTRY = blank ST-INSTRUCT-POSTPONED = ‘J’
5	On the night before the new settlement day, the instruction is again placed in the Daily Journal for pre-settlement checking (on condition that matching CODE-COUNTERPARTY-RPT = ‘MM’ ST-TRADE-ENTRY = ‘VÄ’

	still exists).	
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Continuation ex 1, alternative 3

4	The instruction has already been postponed for a maximum number of days and is therefore removed automatically.	ST-TRADE-ENTRY = 'FX'
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Exempel 2

Event		Significant terms in status reporting ACZF603A
1	A clearing member registers a prematch instruction. Matching does not occur.	CODE-COUNTERPARTY-RPT = 'UM' ST-TRADE-ENTRY = blank
2	Postponement of settlement day takes place at the time of the final settlement with/without payment.	CODE-COUNTERPARTY-RPT = 'UM' ST-TRADE-ENTRY = blank ST-INSTRUCT-POSTPONED = 'J'

Files

Every evening a reconciliation file is generated, containing all active prematch instructions, as well as all those that have been automatically removed on that particular day.

In order to complete the counterclaim reporting in real time, other files are also generated with counterclaim information, including such details as customer reference files.

These files can be retrieved by clearing members if they wish.

9.2 Prematch transactions

9.2.1.1 FTBE – Prematch order, register

See layout for – FTBE

To VPC [AFMF010I](#)
From VPC [AFMF010O](#)

Order for securities from another clearing member.

To VPC

Field of application:

Used for reporting an order (purchase) from another clearing member. The transaction can also be used for changing or cancelling an order. The transaction reference number must be unique.

The fields in the transaction header must contain the following values when reporting.

ID-SEARCH-CODE ID-UNIQUE-IDENT (blank in the case of new registration)
CODE-ACTION NY
 UP
 BT

From VPC

Field of application:

Used to confirm an order (purchase) and how it has been processed in the system (rejected/accepted).

9.2.1.2 FTLE – Prematch delivery, register

See layout for – FTLE

To VPC [AFMF010I](#)
From VPC [AFMF010O](#)

Delivery of securities to another clearing member.

To VPC

Field of application:

Used for reporting a delivery (sale) to another clearing member. The transaction can also be used for changing and cancelling a delivery. The transaction reference number must be unique.

The fields in the transaction header must contain the following values when reporting:

ID-SEARCH-CODE	ID-UNIQUE-IDENT (blank in the case of new registration)
CODE-ACTION	NY
	UP
	BT

From VPC

Field of application:

Used to confirm a delivery (sale) and how it has been processed in the system (rejected/accepted).

9.3 Files

9.3.1.1 AFIF201 = Counterclaim information, prematch

From VPC

See layout for - [AFIF2011](#)

Field of application:

Used, for example, for forwarding information to a customer to inform him/her of a counterclaim.

Further information:

The file is generated five times a day:

- 10.15 a.m.
- 12.15 p.m.
- 14.15 p.m.
- 16.15 pm
- 18.15 p.m.

Each time the file is generated it contains all the counterclaims registered by another clearing member.

9.3.1.2 AFIF211 = Reconciliation, prematch

From VPC

Two record types exist:

<i>RECORD-TYPE</i> = 01	All CM's active prematch instructions, regardless of settlement day	See layout for AFIF2111
<i>RECORD-TYPE</i> = 02	All CM's prematch instructions that have been removed to the historical register during the day due to the time rule	See layout for AFIF2112

Field of application:

Used by clearing members for making their own reconciliations.

Further information:

The file is generated every day after the VPC system closes for the receipt of instructions.