AN AUTOMATED METHOD AND A SYSTEM FOR CLEARING AND SETTLING TRADES IN A CSD-SYSTEM

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ABSTRACT

The invention discloses a method for financial transactions within a Central Securities Depository, comprising a clearing process and a settlement process, the clearing process being the process of preparing the transactions for the settlement process, with the clearing process comprising selecting a settlement rule to be followed in the clearing process, which defines how the transaction is to be settled, defining a settlement obligation group, said group comprising a number of settlement instructions that all must be settled at the same time, and "locking in" of the assets which the transaction concern, the locking-in meaning reserving said assets for a specific settlement instruction. The settlement process comprises selecting transfer instructions for all settlement obligations belonging to said settlement obligation group, said transfer instructions being irrevocable instructions to transfer the assets between participants in the CSD, checking that all transfer instructions are carried out successfully, and reporting the result of the settlement to the participants involved.

(Fig 1)



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