

## ATTACHMENT 2. Market Specific Attributes, MSA

Market Specific Attributes (MSA) are special data that central securities depositories create and can use in T2S in order to manage the specifics typical of their markets.

In addition to the standard attributes that apply to all, in T2S each central securities depository can define its own market specific attributes / parameters for its parties, securities and securities accounts.

The MSAs can be used:

- for information purposes or
- to create restriction rules with the help of so-called restriction types.

Restriction types are T2S settings that determine the processing attributes required by legal/regulatory requirements of a local market or the local market practice. The central securities depositories create so-called restriction rules in T2S with the help of restriction types and MSAs. T2S checks compliance with these rules when the settlement instruction or restriction is received in the settlement system, and further processing depends upon the outcome of the validation and the requirement stated in the rule.

It is particularly important for DCPs to be aware of T2S restriction rules as such rules are applied directly in T2S. Nevertheless, the same rules will be applied in domestic clearing also.

KELER set the following Market Specific Attributes, restriction types and restriction rules in T2S:

- 4 Market Specific Attributes (MSA)
- 7 restriction types (RT01-RT07)
- and 40 different restriction rules based on the above.

### Market Specific Attributes (MSA)

Attribute name <sup>1</sup>	Attribute description	Attribute type	Format	MSA Values
Party status	The attribute describes the different statuses of a KELER party.	Party	Char	suspended / to be deleted
Account status	The attribute describes the different statuses of a securities account.	Account	Char	suspended / frozen / dormant / to be deleted
Security status	The attribute describes the different statuses of a security.	Security	Char	suspended / to be deleted
Account type	The attribute describes the different types of securities accounts.	Account	Char	ordinary / custody / linked-transferable / linked-non-transferable

### Restriction types

- RT01 - party suspension and deletion (within this 7 restriction rules)
- RT02 - account suspension and deletion, management of dormant and frozen accounts (13 rules)
- RT03 - securities suspension and deletion (5 rules)
- RT04 - validation of transactions in non-standardized, non-fungible securities that are recorded based on serial numbers (2 rules)
- RT05 - validation of account type compatibility for transfers among linked accounts and other account types (2 rules)
- RT06 - DVP settlement in non-T2S currency (1 rule)

## Restriction rules

Restriction type characteristics					Restriction rule	Attribute type	MSA	Relevance in cross-border transactions
Restriction type name	Restriction description	Subject of restriction	Processing type	Positive/negative	Detailed description	Instructing party: e.g. account holder: PA  Securities: S Balance to be debited: DPB Balance to be credited: CPB	Party: P Security: S Account: A	
KELER RT01	<p>The right of disposal of a KELER client needs to be suspended for a predetermined period, based on the requirements of the competent authority (supervisory authority, liquidator or other relevant authority). The suspension of one party involves all the securities accounts of the KELER client concerned.</p> <p>If a participant is to be removed from the system, the status of the party can be marked 'to be deleted'. At the end of the day, all parties with 'to be deleted' status will get 'deleted' status in the system, following validation that there are no pending transactions.</p>	Settlement instruction	Rejection	Positive	if 'Party status' is 'suspended' → instruction is <b>rejected</b>	n/a	P → Party status	Y
		Settlement instruction	Rejection	Negative	if 'Party status' is 'suspended' and 'ISO code' is 'CORP' → instruction <b>accepted</b>	ISO code	P → Party status	Y
		Settlement restriction	Rejection	Positive	if 'Party status' is 'suspended' → restriction <b>rejected</b>	n/a	P → Party status	Y
		Settlement instruction	Rejection	Positive	if 'Party status' is 'to be deleted' → instruction <b>rejected</b>	n/a	P → Party status	Y
		Settlement instruction	Rejection	Negative	if 'Party status' is 'to be deleted' and 'ISO code' is 'CORP' → instruction <b>accepted</b>	ISO code	P → Party status	Y
		Settlement restriction	Rejection	Positive	if 'Party status' is 'to be deleted' → restriction <b>rejected</b>	n/a	P → Party status	Y
		Settlement instruction	Rejection	Positive	if 'Party status' is 'deleted' → instruction <b>rejected</b>	n/a	P → Party status	Y
		Settlement restriction	Rejection	Positive	if 'Party status' is 'deleted' → restriction <b>rejected</b>	n/a	P → Party status	Y
		Party	Blocking	Positive	<b>Blocking</b> of all the settlement instructions of a party	n/a	n/a	Y
KELER RT02	<p>The right of disposal of a KELER client needs to be suspended / frozen for a predetermined period based on the requirement of the competent authority (supervisory authority, liquidator or other relevant authority). The account suspension/freezing involves only one specific securities account of the KELER client.</p> <p>An account is to be marked 'dormant' if for a given number of years there are neither securities, nor transactions in an 'active' account. No transactions can be executed in the 'dormant' account.</p> <p>The party can terminate the account. If a termination request is received for an account with 'active' status, the system changes the status of the account to 'to be deleted'. Transactions are not permitted if the account status is 'to be deleted'. If there are no pending transactions and balances in the account concerned, the system changes the account status to 'deleted' at the end of the day.</p>	Settlement instruction	Rejection	Positive	if 'Account status' is 'suspended' and 'Securities movement type' is 'DELI' → instruction <b>rejected</b>	Securities movement type	A → Account status	Y
		Settlement instruction	Rejection	Negative	if 'Account status' is 'suspended' and 'ISO code' is 'CORP' → instruction <b>accepted</b>	ISO code	A → Account status	Y
		Settlement restriction	Rejection	Positive	if 'Account status' is 'suspended' → restriction <b>rejected</b>	n/a	A → Account status	Y
		Settlement instruction	Rejection	Positive	if 'Account status' is 'frozen' → instruction <b>rejected</b>	n/a	A → Account status	Y
		Settlement instruction	Rejection	Negative	if 'Account status' is 'frozen' and 'ISO code' is 'CORP' → instruction <b>accepted</b>	ISO code	A → Account status	Y
		Settlement restriction	Rejection	Positive	if 'Account status' is 'frozen' → restriction <b>rejected</b>	n/a	A → Account status	Y
		Settlement instruction	Rejection	Positive	if 'Account status' is 'dormant' → instruction <b>rejected</b>	n/a	A → Account status	Y
		Settlement instruction	Rejection	Negative	if 'Account status' is 'dormant' and 'ISO code' is 'CORP' → instruction <b>accepted</b>	ISO code	A → Account status	Y
		Settlement restriction	Rejection	Positive	if 'Account status' is 'dormant' → restriction <b>rejected</b>	n/a	A → Account status	Y
		Settlement instruction	Rejection	Positive	if 'Account status' is 'to be deleted' → instruction <b>rejected</b>	n/a	A → Account status	Y
		Settlement instruction	Rejection	Negative	if 'Account status' is 'to be deleted' and 'ISO code' is 'CORP' → instruction <b>accepted</b>	ISO code	A → Account status	Y
		Settlement restriction	Rejection	Positive	if 'Account status' is 'to be deleted' → restriction <b>rejected</b>	n/a	A → Account status	Y
		Settlement instruction	Rejection	Positive	if 'Account status' is 'deleted' → instruction <b>rejected</b>	n/a	A → Account status	Y
		Settlement restriction	Rejection	Positive	if 'Account status' is 'deleted' → restriction <b>rejected</b>	n/a	A → Account status	Y

Restriction type characteristics					Restriction rule	Attribute type	MSA	Relevance in cross-border transactions
Restriction type name	Restriction description	Subject of restriction	Processing type	Positive/negative	Detailed description			
	<b>Business and legal background</b>					Instructing party: e.g. account holder: PA  Securities: S Balance to be debited: DPB Balance to be credited: CPB	Party: P Security: S Account: A	
		Account	Blocking	Positive	Blocking of all settlement instructions of an account	n/a	n/a	Y
<b>KELER RT03</b>	In line with BSE and KELER rules, upon the occurrence of certain corporate actions the security is to be suspended from settlement for a certain period. If an instrument is to be deleted, then the instrument will remain in 'to be deleted' status as long as all pending transactions are closed. The system does not accept new transactions when the instrument status is 'to be deleted'.	Settlement instruction	Rejection	Positive	if 'Security status' is 'suspended' -> instruction <b>rejected</b>	n/a	S -> Security status	Y
		Settlement restriction	Rejection	Positive	if 'Security status' is 'suspended' -> restriction <b>rejected</b>	n/a	S -> Security status	Y
		Settlement instruction	Rejection	Positive	if 'Security status' is 'to be deleted' -> instruction <b>rejected</b>	n/a	S -> Security status	Y
		Settlement restriction	Rejection	Positive	if 'Security status' is 'to be deleted' -> restriction <b>rejected</b>	n/a	S -> Security status	Y
		Security	Blocking	Positive	Blocking of all settlement instructions of a security	n/a	n/a	Y
<b>KELER RT04</b>	Non-standard, non-fungible securities are recorded with unique serial numbers in a custody account. Securities transfers in custody accounts are permitted only if the party provides additional information so that KELER can implement the required validation and processing.	Settlement instruction	CSD validation hold	Positive	if 'Account type' is 'custody' -> instruction <b>suspended by CSD (CSD validation hold)</b>	n/a	A -> Account type	Y
		Settlement restriction	Rejection	Positive	if 'Account type' is 'custody' -> restriction <b>rejected</b>	n/a	A -> Account type	Y
<b>KELER RT05</b>	Compatibility checking across account types The balance of securities is shown separately in the linked and other accounts, primarily due to the tax requirements applicable in the market/country of issue of the security. Linked accounts are to be opened for reasons required by the sub custodian. Movements among linked accounts and other account types are permitted only after KELER validated the transaction.	Settlement instruction	CSD validation hold	Positive	if 'Account type' of instructing party is 'linked' -> instruction is <b>suspended by CSD (CSD validation hold)</b>	n/a	A -> Account type	Y
		Settlement restriction	Rejection	Positive	if 'Account type' of instructing party is 'linked' -> restriction <b>rejected</b>	n/a	A -> Account type	Y
<b>KELER RT06</b>	Settlement in non-T2S currency	Settlement instruction	CoSD	Positive	if 'Payment' is 'FREE' and 'Settlement currency' is e.g. 'HUF' -> instruction suspended ( <b>CoSD hold</b> )	Payment Settlement currency	n/a	Y
<b>KELER RT07</b>	The following transactions are available for KELER parties in DCP mode: - OTC - free of payment - OTC - versus payment - Blocking - Reservation - Earmarking	Settlement instruction	Rejection	Positive	if 'Instructing party' is 'CSD Participant' -> instruction <b>rejected</b>	Instructing party	n/a	Y
		Settlement instruction	Rejection	Negative	if 'Instructing party' is 'CSD Participant' and 'Transaction type' is any of the following -> instruction <b>accepted</b> - OTC - FOP, OTC - DVP, Blocking, Reservation, Earmarking	Instructing party Transaction type	n/a	Y
		Settlement restriction	Rejection	Positive	if 'Instructing party' is 'CSD Participant' -> restriction <b>rejected</b>	Instructing party	n/a	Y
		Settlement restriction	Rejection	Negative	if 'Instructing party' is 'CSD Participant' and 'Transaction type' is any of the following -> restriction <b>accepted</b> - OTC - FOP, OTC - DVP, Blocking, Reservation, Earmarking	Instructing party Transaction type	n/a	Y