

The RITS Low Value Settlement Service (LVSS)

9am Settlement Changes

**Training for RITS Members
Cash Desk Staff
May 2012**

LVSS: 9am Settlement Changes

LVSS Migration

Impact on settlement arrangements

9am obligations prior to 8.15 am

Queued transaction management

9am position after 8.15 am

Settlement

Post settlement activities



Introduction to LVSS

- Settlement of low value clearing obligations
- Replaces Exchange Summaries/Collator
- Affects Tier 1/direct settling members
- 9am settlement arrangements will change
- Migration commences May 2012



Migration to LVSS

- On a clearing system by clearing system basis
- All participants in a clearing system migrate on the same weekend
- BECS (direct entry) – 21 May 2012
- CECS/Cashcard – 13 August 2012
(ATM/POS, MasterCard, Visa)
- APCS (cheques) – 22 October 2012



Overview of Impact on 9am Settlement

- Multiple LVSS transactions on queue
- Position not fixed until 8.15 am
- Settlement still occurs between 8.45 am and 9.15 am
- Members have until 8.45 am to complete funding of the 9am position
- During migration, single simultaneous settlement of remaining Collator obligations and LVSS obligations



Settlement of Government Direct Entry

- Currently outside 9am batch (GDES posting for RBA; cash transfers for other)
- Following migration, use LVSS transactions
- Must settle prior to 8.15 am (as now)
- Settlement Method 'I' (Individual)



View Projected 9am Position Prior to 8.15 am

- 9am Position not fixed until 8.15 am
- Before 8.15 am can view **projected** position:
 - LVSS Bilateral Position Summary
 - LVSS Multilateral Position Summary
- Don't use ESA Position (position not displayed)
- Don't use Collator fax or 07:30am Information (both are incomplete once migration commences)



ESA Position



ES Account 092-002-811907

ESA Limit \$0.00 (no overdrawings allowed)

ESA Balance

ESA Balance \$79,401,013.05

ESA Sub-Limit \$773,000,000.00

[Change ESA Sub-Limit](#)

ESA Active Balance -\$693,598,986.95

Current LVSS Multilateral Run Position

Only displayed when LVSS Multilateral Run in progress

Queued Inward

Amount \$922,160,891.40

No. 10

Queued Outward

Amount \$1,819,000,000.00

Including queued 2nd leg RBA Repos

No. 10

RBA Repos Completed Today

First Leg \$0.00

Second Leg* \$0.00

(*Includes reversals of RBA Repos from previous day, if any)

Warning: Figures for outstanding RBA Repos will be misleading if there are overnight repos carried forward from the previous day.

Calculated Net ESA Position **-\$817,438,095.55**

ESA Balance

Current LVSS
Multilateral
Run Position

Queued In

Queued Out
(excl. 2nd leg RBA Repos)

Outstanding 2nd leg
RBA Repos

\$79,401,013.05

+

\$0.00

+

\$922,160,891.40

-

\$1,819,000,000.00

-

\$0.00

Note: Due to the real time nature of the system, transactions may have arrived/settled during the calculation of each of these totals. Therefore aggregates displayed on this page are not synchronised.

LVSS Bilateral Position Summary



Enquiry Filter



Other Bank	<input type="text" value="All"/>	FSI Payment Service	<input type="text" value="All"/>	Settlement Date	<input type="text" value="27-Apr-2012"/>
LVSS Settlement Method	<input type="text" value="M"/>	All/Eligible	<input type="text" value="All"/>	FSI Payment Date	<input type="text"/>
Status	<input type="text" value="Accepted"/>				
				Find	Clear
				Export <input type="checkbox"/>	Excel <input type="text"/>

Summary



LVSS Transactions

	Payment Service	Originator	Counterparty	Net
	BE CN	-\$966,000,000.00	\$340,000,000.00	-\$626,000,000.00
	CE CS	\$335,000,000.00	-\$461,000,000.00	-\$126,000,000.00
Sub-Total		-\$631,000,000.00	-\$121,000,000.00	-\$752,000,000.00

Other Settlement Obligations

Projected Clearing Interest BE CN	-\$85,753.41
Projected Clearing Interest CE CS	-\$17,260.28
Exchange Summary Net Obligation	\$6,160,891.40
Total	-\$745,942,122.29

5 Records found [First | Previous] 1 [Next | Last]

LVSS Transactions Bilateral Summary



Other Bank	Payment Service	Originator	Counterparty	Net
ANZB	BE CN	-\$406,000,000.00	\$90,000,000.00	-\$316,000,000.00
BOCS	BE CN	-\$213,000,000.00	\$123,000,000.00	-\$90,000,000.00
ROYC	BE CN	-\$347,000,000.00	\$127,000,000.00	-\$220,000,000.00
ANZB	CE CS	\$241,000,000.00	-\$225,000,000.00	\$16,000,000.00
ROYC	CE CS	\$94,000,000.00	-\$236,000,000.00	-\$142,000,000.00

LVSS Multilateral Position Summary



Current LVSS Multilateral Run*

Net Position		
	Amount	No.
Queued Inward		
Queued Outward		
	Start Time	End Time
Settlement Testing		

*Only displayed during LVSS Multilateral settlement testing period

Next LVSS Multilateral Run

Net Position	-\$745,942,122.29	
	Amount	No.
Eligible Queued Inward	\$681,160,891.40	7
Eligible Queued Outward	\$1,427,000,000.00	7
Projected Clearing Interest	-\$103,013.69	
	Start Time	End Time
Settlement Testing	08:15	09:10

ESA Balance

ESA Balance	\$79,401,013.05	ESA Sub-Limit	\$773,000,000.00	ESA Active Balance	-\$693,598,986.95
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Queue Management Prior to 8.15 am

- Ensure government direct entry obligations settle by 8.15 am
- Ensure other transactions are ready for multilateral settlement by 8.15 am
- Transactions only included in 9am settlement if no deferred status and Settlement Method = 'M' (Multilateral)
- Use Queued Payments Management to view and change ESA Status



Queued Payments Management - ESA/Credit Status/LVSS Settle Method



Enquiry Filter

Own Branch Other Bank Evening Flag Transactions
 Source Batch Payment Service SWIFT MT Direction
 Amount
 Cash Credit ESA And/Or
 Export

Advanced

Summary

20 Records found [First | Previous] 1 [Next | Last]

Time Rec	Pay Bank	Rec Bank	Pay Branch	Rec Branch	Ev Fl	Trans Type	Amount	CSH	CR		ESA		LVSM		MR
									Old	New	Old	New	Old	New	
02:28:44	BQLQ	ROYC	BQLQLC	ROYCLC	Y	LVPAY	-\$134,000,000.00	P	A	A	A	A	M	M	
02:28:44	BQLQ	ROYC	BQLQLC	ROYCLC	Y	LVPAY	-\$213,000,000.00	P	A	A	A	A	M	M	
02:28:44	BQLQ	ROYC	BQLQLC	ROYCLC	Y	LVPAY	-\$158,000,000.00	P	A	A	D	D	I	I	
02:28:44	ROYC	BQLQ	ROYCLD	BQLQLD	Y	LVREC	\$94,000,000.00						M		
02:28:44	BQLQ	ANZB	BQLQLC	ANZBL2	Y	LVPAY	-\$193,000,000.00	P	A	A	A	A	M	M	
02:28:44	BQLQ	ANZB	BQLQLC	ANZBL2	Y	LVPAY	-\$213,000,000.00	P	A	A	A	A	M	M	
02:28:44	BQLQ	ANZB	BQLQLC	ANZBL2	Y	LVPAY	-\$213,000,000.00	P	A	A	D	D	I	I	
02:28:44	ANZB	BQLQ	ANZBM1	BQLQLD	Y	LVREC	\$241,000,000.00						M		
02:28:44	BQLQ	BOCS	BQLQLC	BOCSL2	Y	LVPAY	-\$213,000,000.00	P	A	A	D	D	M	M	
02:28:44	BQLQ	BOCS	BQLQLC	BOCSL2	Y	LVPAY	-\$21,000,000.00	P	A	A	D	D	I	I	
02:28:44	ROYC	BQLQ	ROYCLC	BQLQLC	Y	LVREC	\$98,000,000.00						M		
02:28:44	ROYC	BQLQ	ROYCLC	BQLQLC	Y	LVREC	\$29,000,000.00						M		
02:28:44	ROYC	BQLQ	ROYCLC	BQLQLC	Y	LVREC	\$90,000,000.00						I		
02:28:44	BQLQ	ROYC	BQLQLD	ROYCLD	Y	LVPAY	-\$236,000,000.00	P	A	A	D	D	M	M	
02:28:44	ANZB	BQLQ	ANZBL2	BQLQLC	Y	LVREC	\$90,000,000.00						M		
02:28:44	BQLQ	ANZB	BQLQLD	ANZBM1	Y	LVPAY	-\$225,000,000.00	P	A	A	D	D	M	M	

Queued Payments Management - ESA/Credit Status/LVSS Settle Method



Enquiry Filter

Own Branch: Other Bank: Evening Flag: Transactions:
 Source: Batch: Payment Service: SWIFT MT:
 Direction:
 Amount:
 Cash: Credit: ESA: And/Or:
 Export

Advanced

Summary

4 Records found [First | Previous] 1 [Next | Last]

Time Rec	Pay Bank	Rec Bank	Pay Branch	Rec Branch	Ev Fl	Trans Type	Amount	CSH	CR		ESA		LVSM		MR
									Old	New	Old	New	Old	New	
02:28:44	BQLQ	ROYC	BQLQLC	ROYCLC	Y	LVPAY	-\$158,000,000.00	P	A	<input type="text" value="A"/>	D	<input type="text" value="D"/>	I	<input type="text" value="I"/>	
02:28:44	BQLQ	BOCS	BQLQLC	BOCSL2	Y	LVPAY	-\$21,000,000.00	P	A	<input type="text" value="A"/>	D	<input type="text" value="D"/>	I	<input type="text" value="I"/>	
02:28:44	BQLQ	ANZB	BQLQLC	ANZBL2	Y	LVPAY	-\$213,000,000.00	P	A	<input type="text" value="A"/>	D	<input type="text" value="D"/>	I	<input type="text" value="I"/>	
02:28:44	ANZB	BQLQ	ANZBL2	BQLQLC	Y	LVREC	\$67,000,000.00						I		

Multilateral Run Commences 8.15 am

- Eligible transactions selected and flagged
- Includes 9am Collator obligations during migration
- Clearing interest transactions are created
- 9am position is fixed
- View 9am position in:
 - ESA Position (also shows projected ESA balance)
 - LVSS Multilateral Position Summary



ESA Position



ES Account

092-002-811907

ESA Limit

\$0.00

(no overdrawings allowed)

ESA Balance

ESA Balance

\$78,401,013.05

ESA Sub-Limit

\$750,000,000.00

Change ESA Sub-Limit

ESA Active Balance

-\$671,598,986.95

Current LVSS Multilateral Run Position

Multilateral Run Position

-\$745,942,122.29

Projected ESA Position after posting the MR Position

-\$667,541,109.24

[ESA Balance + MR Position]

Queued Inward

Amount

\$0.00

No.

0

Queued Outward

Amount

\$0.00

No.

0

Including queued 2nd leg RBA Repos

RBA Repos Completed Today

First Leg

\$0.00

Second Leg*

\$0.00

(*Includes reversals of RBA Repos from previous day, if any)

Warning:

Figures for outstanding RBA Repos will be misleading if there are overnight repos carried forward from the previous day.

Calculated Net ESA Position -\$667,541,109.24

ESA Balance

\$78,401,013.05

Current LVSS Multilateral Run Position

-\$745,942,122.29

Queued In

\$0.00

Queued Out (excl. 2nd leg RBA Repos)

\$0.00

Outstanding 2nd leg RBA Repos

\$0.00

Note: Due to the real time nature of the system, transactions may have arrived/settled during the calculation of each of these totals. Therefore aggregates displayed on this page are not synchronised.

LVSS Multilateral Position Summary



Current LVSS Multilateral Run*

Net Position -\$745,942,122.29

Amount **No.**

Queued Inward \$681,163,083.18 8

Queued Outward \$1,427,105,205.47 11

Start Time **End Time**

Settlement Testing 08:15 09:10

*Only displayed during LVSS Multilateral settlement testing period

Next LVSS Multilateral Run

Net Position \$0.00

Amount **No.**

Eligible Queued Inward \$0.00 0

Eligible Queued Outward \$0.00 0

Projected Clearing Interest

Start Time **End Time**

Settlement Testing

ESA Balance

ESA Balance \$78,401,013.05 **ESA Sub-Limit** \$750,000,000.00 **ESA Active Balance** -\$671,598,986.95

Between 8.15 am and 8.45 am

- 9am position doesn't change
- Half an hour provided to complete funding of 9am obligation
- Ensure ESA is in projected credit by 8.45 am
- If a transaction is deferred at 8.15 am, it will not be selected for 9am settlement. To settle this transaction:
 - change the Settlement Method to 'I' (Individual)
 - clearing interest will not be applied by RITS – manual adjustment may be required



9am Settlement

- Occurs between 8.45 am and 9.15 am
- Tested against full ESA balance even if ESA Status is active
- All transactions settled simultaneously
- Posted to ESA as individual transactions
- Final ESA balance is shown against all transactions



After Settlement

- View settled LVSS transactions in:
 - Settled Payments Enquiry
 - LVSS Transaction Enquiry



Settled Payments



Enquiry Filter



Own Branch: Other Bank: Inter/Intra: Settlement Date:

Source: Batch: Payt Service: SWIFT MT: Direction:

Amount: Ext TRN: Trans ID:

Time Settled From: To:

Export

Summary



25 Records found [First | Previous] 1 [Next | Last]

Tran Type	Time Rec	Time Settled	Other Bank	Own Branch	Method	ESA Amount	ESA Balance
LVREC	02:28:44	07:20:47	ROYC	BQLQLC		\$90,000,000.00	\$169,401,013.05
LVREC	02:28:44	07:21:31	BOCS	BQLQLC		\$84,000,000.00	\$253,401,013.05
LVREC	02:28:44	07:21:56	ANZB	BQLQLC		\$67,000,000.00	\$320,401,013.05
LVPAY	02:28:44	07:26:34	ROYC	BQLQLC		-\$158,000,000.00	\$312,401,013.05
LVPAY	02:28:44	07:26:34	ANZB	BQLQLC		-\$213,000,000.00	\$99,401,013.05
LVPAY	02:28:44	07:26:34	BOCS	BQLQLC		-\$21,000,000.00	\$78,401,013.05
LVPAY	02:28:44	08:45:09	ROYC	BQLQLC	M	-\$134,000,000.00	\$1,332,458,890.76
LVPAY	02:28:44	08:45:09	ROYC	BQLQLC	M	-\$213,000,000.00	\$1,332,458,890.76
LVREC	02:28:44	08:45:09	ROYC	BQLQLD	M	\$94,000,000.00	\$1,332,458,890.76
LVPAY	02:28:44	08:45:09	ANZB	BQLQLC	M	-\$193,000,000.00	\$1,332,458,890.76
LVPAY	02:28:44	08:45:09	ANZB	BQLQLC	M	-\$213,000,000.00	\$1,332,458,890.76
LVREC	02:28:44	08:45:09	ANZB	BQLQLD	M	\$241,000,000.00	\$1,332,458,890.76
LVPAY	02:28:44	08:45:09	BOCS	BQLQLC	M	-\$213,000,000.00	\$1,332,458,890.76
LVREC	02:28:44	08:45:09	ROYC	BQLQLC	M	\$98,000,000.00	\$1,332,458,890.76
LVREC	02:28:44	08:45:09	ROYC	BQLQLC	M	\$29,000,000.00	\$1,332,458,890.76
LVPAY	02:28:44	08:45:09	ROYC	BQLQLD	M	-\$236,000,000.00	\$1,332,458,890.76
LVREC	02:28:44	08:45:09	ANZB	BQLQLC	M	\$90,000,000.00	\$1,332,458,890.76

LVSS Transaction Enquiry



Enquiry Filter



Settlement Date

Payment Service

LVSS Settle Method

Own Branch

Other Bank

Direction

Status

Find

Clear

Export

Excel

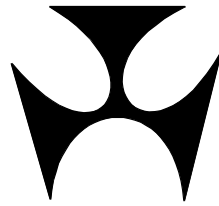
26 Records found [First | Previous] 1 [Next | Last]

Settle Date	Time Settled	Payt Serv	LVSM	Other Bank	Own Branch	External TRN	Clearing Description	Status	Amount
27-Apr-2012	07:21:56	BECG	I	ANZB	BQLQLC	ANZB26538703	16:00	Complete	\$67,000,000.00
27-Apr-2012	07:26:34	BECG	I	ROYC	BQLQLC	BQLQ26447231	16:00	Complete	-\$158,000,000.00
27-Apr-2012	07:26:34	BECG	I	ANZB	BQLQLC	BQLQ26545482	16:00	Complete	-\$213,000,000.00
27-Apr-2012	07:26:34	BECG	I	BOCS	BQLQLC	BQLQ26551497	16:00	Complete	-\$21,000,000.00
27-Apr-2012	08:45:09	CECS	M	ANZB	BQLQLD	BQLQ2656699	ATM/EFPTOS	Complete	\$241,000,000.00
27-Apr-2012	08:45:09	BECN	M	BOCS	BQLQLC	BOCS2651311	18:30	Complete	\$123,000,000.00
27-Apr-2012	08:45:09	BECN	M	ROYC	BQLQLC	ROYC2652639	10:00	Complete	\$98,000,000.00
27-Apr-2012	08:45:09	CECS	M	ROYC	BQLQLD	BQLQ26510886	ATM/EFTPOS	Complete	\$94,000,000.00
27-Apr-2012	08:45:09	BECN	M	ANZB	BQLQLC	ANZB26521795	10:00	Complete	\$90,000,000.00
27-Apr-2012	08:45:09	BECN	M	ROYC	BQLQLC	ROYC26525904	18:30	Complete	\$29,000,000.00
27-Apr-2012	08:45:09	CINT	M	ANZB	BQLQ45	RITS12315477		Complete	\$2,191.78
27-Apr-2012	08:45:09	CINT	M	BOCS	BQLQ45	RITS12315478		Complete	-\$12,328.76
27-Apr-2012	08:45:09	CINT	M	ROYC	BQLQ45	RITS12315480		Complete	-\$19,452.06
27-Apr-2012	08:45:09	CINT	M	ROYC	BQLQ45	RITS12315479		Complete	-\$30,136.98
27-Apr-2012	08:45:09	CINT	M	ANZB	BQLQ45	RITS12315476		Complete	-\$43,287.67
27-Apr-2012	08:45:09	BECN	M	ROYC	BQLQLC	BQLQ2646671	10:00	Complete	-\$134,000,000.00
27-Apr-2012	08:45:09	BECN	M	ANZB	BQLQLC	BQLQ26517919	10:00	Complete	-\$193,000,000.00

Important Points

- Single multilaterally netted settlement at 9am
- 9am settlement position must be funded by 8.45 am
- View **projected** 9am position prior to 8.15 am
- 9am position is **fixed** from 8.15 am
- Government direct entry settles prior to 8.15 am





LVSS: 9am Settlement Changes

Questions

