



01 October 2019

Ref. No.: 08/25/001/0005/001

Circular No.: SSSS/02/2019

**To: All Participants of the LankaSettle System**

**Inclusion of Settlement Value, Price and Interest Rate of Secondary Market Transactions in Government Securities**

1. With a view of enhancing transparency in conducting Government securities transactions, the Central Bank of Sri Lanka has decided to capture key attributes of such transactions, as per Rule 5.6 of Volume 3 of the LankaSettle System Rules.
2. Accordingly, all Participants are required to fill the relevant fields in the MT540, MT541, MT542 and MT543 SWIFT message formats as given below, when conducting Government securities transactions.

- a. Settlement Value for Deliver Free (DvF)/Receive Free (RvF) transactions shall be indicated in the field :19A::SETT// under Optional Repetitive Subsequence E3 Amounts block in MT540 and MT542 in the format given below. The said attributes in this block support up to two decimal places.

:16R:AMT  
:19A::SETT//[N]3!a15d  
:16S:AMT

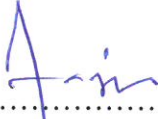
The above Settlement Value is recorded in a similar manner to Delivery versus Payment (DVP)/Receive versus Payment (RVP) transactions, in the fields as per the MT541 and MT543 message formats.

- b. Price and Interest Rate for all Government securities transactions shall be indicated in the field :90A::INDC//PRCT for Price and the field :90A::EXER//YIEL for Interest Rate under Optional Subsequence B1 Financial Instrument Attributes block in MT540, MT541, MT542 and MT543 in the formats given below. The said attributes in this block support up to four decimal places.

:16R:FIA  
:90A::INDC//PRCT/15d  
:90A::EXER//YIEL/15d  
:16S:FIA

3. In the case of outright transactions, the “Interest Rate” refers to the yield to maturity and in the case of repurchase or reverse repurchase transactions the “Interest Rate” refers to the applicable rate per annum for the given period of time according to the contract. The “Price” refers to the clean price of the Government security.

4. A sample MT542 message format is given in **Annexure 01** with the relevant blocks highlighted.
5. The Settlement Values indicated in the relevant fields of Deliver Free/Receive Free message types, will not be considered in the settlement process as the System will only use the Face Value to debit and credit the respective Government securities accounts of LankaSecure.
6. In addition to the Government securities transaction messages sent through SWIFT system, the Settlement Value, Price and Interest Rate shall be incorporated into the Government securities transactions submitted through the CSS Trades, i.e. the web based application provided by Central Bank of Sri Lanka, as instructed under Rule 5.4 in Volume 3 of the LankaSettle System rules.
7. The information required in above fields must be entered in the relevant message formats when effecting Government securities transactions in the LankaSecure system on a mandatory basis with effect from 01.01.2020.



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**M Z M Aazim**  
**Superintendent**  
**Public Debt Department**



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**D Kumaratunge**  
**Director**  
**Payments and Settlements Department**



Sample MT542 Message Format

:16R:GENL  
:20C::SEME//DVF010SetPrice  
:23G:NEWM  
:16S:GENL  
:16R:TRADDET  
:98A::SETT//20180222  
:98A::TRAD//20180222  
:35B:ISIN LKB01518H150  
:16R:FIA  
:90A::INDC//PRCT/98,6653  
:90A::EXER//YIEL/9,9999  
:16S:FIA  
:22F::PRIR//0080  
:16S:TRADDET  
:16R:FIAC  
:36B::SETT//FAMT/15000,  
:97A::SAFE//OWN  
:16S:FIAC  
:16R:SETDET  
:22F::SETR//TRAD  
:16R:SETPRTY  
:95P::REAG//CBCELKLOEPF  
:16S:SETPRTY  
:16R:SETPRTY  
:95P::PSET//ZYACLKLOXXX  
:16S:SETPRTY  
:16R:AMT  
:19A::SETT//LKR19999,99  
:16S:AMT  
:16S:SETDET